

The complaint

Mr R complains that Monzo Bank Ltd ("Monzo") held him liable for a failed cash withdrawal.

What happened

Mr R explained that whilst on holiday he used an automated teller machine (ATM) to check how much it would cost to withdraw some cash. Mr R said he didn't request any funds and cancelled the transaction.

Later, he found that his account was showing the cash withdrawal had been successful and his account was reduced by £163.67. He contacted Monzo to advise them he hadn't received any cash. Monzo told Mr R that he would have to wait for the transaction to be completed and if it wasn't returned to his account, he could challenge the transaction.

The payment was eventually completed and debited Mr R's account, so Mr R challenged the transaction. Monzo temporarily refunded the transaction and requested the ATM operator provide evidence that the transaction was successful.

The ATM operator supplied details of what happened when Mr R used the ATM. They included details of transactions both before and after he used it. In summary, the evidence showed that there was a successful transaction just prior to Mr R used the ATM, he then checked his current and savings account as a balance enquiry before requesting \$200 which was dispensed. The transaction included a \$4 fee (converted to £163.67 in total). The following transaction (which took place some hours later) was also included which also showed a successful withdrawal.

Based on this evidence, Monzo advised Mr R they would reclaim the temporary refund which they did a couple of weeks later. Mr R then complained to Monzo. They reviewed their investigation and didn't think they'd reached the wrong conclusion, so declined any refund.

Mr R remained unhappy with how Monzo had dealt with his dispute and brought it to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into the issue and both parties were asked to provide evidence of what happened. Mr R was able to confirm his version of events and Monzo provided details of their own investigation, including evidence from the ATM operator.

After reviewing the evidence, the investigator thought it was reasonable for Monzo to hold Mr R liable for the transaction. That's because the evidence provided by the ATM operator showed the withdrawal was successful and other transactions recorded around the same time didn't indicate there was a problem with the ATM. Mr R's complaint wasn't upheld and he disagreed with the outcome.

Mr R said that CCTV would show what happened and he wouldn't lie about the transaction. As no agreement could be reached, the complaint has now been passed to me for a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'd first like to say that there's no suggestion here that Mr R has given anything but his honest testimony about what happened at the ATM. The complaint revolves around whether there's sufficient evidence to show the ATM was working properly or not, at the time Mr R used it.

Put simply, Monzo are required to show that the transaction undertaken by Mr R wasn't affected by "... a technical breakdown or some other deficiency..." . Section 75 of the Payment Service Regulations refers.

They've done this by requesting evidence from the operator of the ATM who supplied details of Mr R's card and other transactions both before and after he was using it. I've no reason to doubt that evidence which shows Mr R carried out two balance enquiries and after transferring sufficient funds into his account from a savings "pot", he made a withdrawal which was recorded as successful.

The transactions prior to, and after his, were also recorded as successful. That suggests the ATM was working properly (otherwise you'd expect to see some sort of ongoing issue or problems with other transactions) and supports the case that Mr R's transaction was also successful.

Mr R has talked about access to CCTV footage, but here there hasn't been any provided for me to review. In respect of Mr R's complaint, I don't think it's unreasonable that Monzo relied solely on the audit data from the ATM. They had sufficient evidence to demonstrate compliance with S. 75 and as they didn't own the CCTV themselves, it's unlikely they'd be able to obtain it, even if there was any coverage available.

Overall, the evidence shows that Mr R used his genuine card and personal identification number (PIN) in the ATM. He carried out two balance enquiries and then requested \$200 (in local currency). It's unlikely that the ATM would independently dispense funds unless the figure was entered by Mr R. It's possible that the funds were dispensed and not collected by Mr R (particularly if he was under the impression he wasn't requesting funds), but that would still mean that he is liable for the withdrawal. Whilst there's no suggestion that Mr R is lying here, on balance, the evidence supports Monzo's position that the withdrawal was successful, and it was both fair and reasonable for them to debit his account.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 January 2025.

David Perry
Ombudsman