

The complaint

Miss B complains Monzo Bank Ltd only refunded a portion of the funds she lost.

What happened

In summary, Miss B says she lost over £40,000 while in a coercive relationship with an ex-partner.

Miss B complained as she said Monzo did not provide any support though she made the bank aware of her circumstances.

Monzo agreed that it didn't do enough to support Miss B and refunded £9,083.85 for the faster payments made to Miss B's partner, less the amount she received back. It refunded Miss B £17,023.50 for gambling transactions and cash machine withdrawals between September 2022 and June 2023 less any winnings paid back into the account. Monzo also paid £125 in compensation for the service Miss B received.

Miss B didn't think this was enough and brought her complaint to our service. In response, Monzo offered to pay an additional £200 in compensation, but it said its fraud department had already refunded all the payments it could have prevented if it had safeguarded earlier.

Our investigator thought the refunds were fair and reasonable and in line with what he would have expected to see. He acknowledged that Miss B said she lost more than was refunded but thought she may have benefited from some of the spending as they would have contributed to her general living expenses. Our investigator also thought the total compensation it offered was fair.

Miss B doesn't accept what our investigator has said and asked for an ombudsman's decision. Miss B doesn't think £325 is enough to address the profound distress she says she was caused over 10 months. Miss B acknowledges the partial refund she received but says it falls significantly short of addressing the full extent of the harm inflicted. Miss B also says any perceived benefit was merely a tool of manipulation and survival within an abusive dynamic.

As an agreement couldn't be reached, the complaint has been passed to me to decide and I issued my provisional decision on 20 November 2024 in which I said:

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

I know I have set out the circumstances of this complaint in less detail than has been provided, and I want to clarify that I've taken into account Miss B's detailed submissions about what happened. However, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. Rather, I've focused on setting out what is key to the decision I've reached.

I'm sorry to hear of the terrible circumstances Miss B has faced, and I want to thank her for

sharing so openly with us. I know these were difficult times for her, made worse by the financial loss she experienced. However, I must put my feelings of sympathy aside and consider the complaint impartially.

Monzo doesn't dispute that it made mistakes and missed opportunities to safeguard Miss B's account. And when a mistake has been made, we expect the bank to put things right and address any financial impact, as well as any practical or emotional impact it has had. So, what I must consider here is if Monzo has done enough to put things right, I'm not satisfied it has and I'll explain why.

Firstly, I would expect the bank to ensure Miss B hasn't lost out financially because of its error. That said, I couldn't fairly expect Monzo to refund all payments made during this time as some of these would have been made by Miss B for her own benefit. For example, for food to eat, personal bills, and other personal expenses. I also noted several transfers made to another account in Miss B's name, which I wouldn't expect Monzo to reimburse.

I appreciate Miss B says she lost more than Monzo refunded to her, however, it's not always easy to identify Miss B's own expenses, other spending on the account which she might have also benefitted from, and the payments she had no benefit from. Monzo said it refunded all the faster payments made to Miss B's partner, it also refunded any gambling and cash machine withdrawals. I've read the discussions Miss B had with Monzo during this time. I've also reviewed her statements and I'm satisfied Monzo refunded Miss B's identifiable losses and those about which she was most concerned. Overall, I'm satisfied it has done enough here.

I then considered whether Monzo's offer of compensation goes far enough to address the impact its errors had on Miss B. I recognise that Miss B informed Monzo on several occasions about the problems she faced and sought its help before it eventually took action. I note Miss B informed Monzo that she preferred to chat rather than speak on the phone, but she was repeatedly asked to arrange a time for a phone call, and then nothing further was done. From the chat transcripts I've read, it's clear how distressed Miss B was during this time.

When it did take action, Monzo repeatedly asked Miss B to list all the transactions she was disputing, considering the number of transactions made over several months, I can understand why Miss B would have found this challenging. I note Miss B informed Monzo that she found figures difficult. She also informed the bank that she is autistic and had some mental health challenges, which made the task difficult. However, it continued to ask her for this information. While I appreciate it did eventually calculate and process the refund without the list of transactions from Miss B, I find Monzo could have acted sooner than it did. As such, I'm not persuaded it treated her fairly or reasonably.

I think that the issues Miss B encountered would have added to the frustration and upset she experienced. I must however recognise that Monzo did attempt to engage with Miss B about what was happening on more than one occasion, but it didn't always get a response. I note that it blocked Miss B's card when she initially let it know that the transactions weren't hers. It also blocked gambling transactions when Miss B asked it to, though it could have given her this option sooner.

Taking everything that's happened into consideration, I find a total of £500 total compensation a fairer way to resolve the matter in these circumstances..."

Monzo accepted my provisional 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.

As neither party provided additional comments or information for me to consider, I see no reason to depart from what I said provisionally.

My final decision

For the reasons given, my final decision is that I uphold this complaint and require Monzo Bank Ltd to pay a total of £500 in compensation. It has already paid £125, so it should pay an additional £375 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 6 January 2025.

Oluwatobi Balogun
Ombudsman