

The complaint

Miss R complains that her Monzo Bank Ltd debit card didn't work during August 2024 and September 2024. She says she had to transfer funds to her savings account as a result.

What happened

Miss R says she had been experiencing issues with her debit card from 16 August 2024, leaving her unable to make any purchases. She complained to Monzo in an attempt to resolve the problem.

Monzo responded in September 2024. It confirmed that there were no blocks on the card, though it could see a recent PIN recovery request had been made. It invited Miss R to contact it again should the new PIN not resolve the problem.

Unfortunately, Miss R said the card still wouldn't work and so she brought the complaint to our service. Monzo told the Investigator assigned to the complaint that Miss R had made numerous card replacement requests, recorded under a range of reasons such as: card lost, damaged or stolen. Monzo said its payments team had looked into things but hadn't been able to identify any current issue with the card or the PIN.

Monzo said the majority of the transactions declined in August 2024 were due to the card not being activated. It also provided screenshots of its systems which showed various payment attempts had declined due to an incorrect PIN having been used, which had blocked the card. It said the card was unblocked on 20 September 2024 and its specialist team hadn't found any issues with the card since then.

But, Monzo said, having reviewed the conversation history with Miss R, and the service it had provided, it didn't think its agents had been clear enough with Miss R about how to fix the issues she'd encountered. Because of this, it said the service Miss R received hadn't been good enough.

As a result, though Monzo was satisfied there were no issues with Miss R's card or PIN, it felt more could have been done to explain, and to assist Miss R during the period. It offered £100 compensation to make up for the poor service she'd received.

The Investigator relayed Monzo's offer to Miss R. She explained that Monzo had sent her evidence of all declined transactions which had occurred on Miss R's account during July 2024 and September 2024. She said she could see three declined transactions – one on 24 July 2024, with the other two taking place on 25 July 2024. All three transactions had been declined due to Miss R having not activated her card. She added that once the card had been activated, the remaining transaction attempts appeared to have declined due to Miss R's PIN being blocked.

The Investigator said that, from the evidence she'd seen, the PIN had been blocked due to Miss R exceeding her offline PIN attempts. She explained that offline PINs are stored on the physical card via the chip, and allow payments to be authorised even when the point of sale terminal isn't connected to a network. She added that these types of transactions are not

uncommon and can include transactions made in locations such as underground ticket machines or on aeroplanes.

The Investigator thought it was likely that this is what had occurred in Miss R's case, with her offline PIN being blocked on 24 July 2024 due to a payment being attempted whilst the card wasn't activated. On this date, Monzo's systems recorded a declined transaction for what was likely an attempted payment to an underground ticket machine – the implication here being that the Investigator didn't think Monzo was responsible for the issues with the card.

The Investigator said that, although Miss R said the problem had started in August 2024, she could see that no transactions had been attempted on the account from 26 July 2024, and that she could see Miss R had made a number of faster payments, which was in keeping with Miss R's testimony of having to transfer money into her savings account to use for general spending.

The Investigator said that Miss R had mitigated much of the impact by transferring her funds but felt Monzo should have unblocked her PIN much sooner than it did. Whilst Miss R didn't immediately notify Monzo through its chat function about the problem she was having with the card, she'd been in touch with Monzo about other issues and had mentioned her card while doing so. The Investigator said that, having considered our service's approach to awards for distress and inconvenience, she felt the £100 offer was fair. She explained it was in line with what she would have recommended had Monzo not made an offer.

Miss R didn't accept the Investigator's view. She said she would like compensation of £1,000 due to the length of time the issue had persisted, for Monzo's lack of empathy, its miscommunication and the stress she had suffered as a result.

As no agreement could be reached, the case was passed to me to decide.

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.

Having done so, I think Monzo's offer is fair. I realise this will be disappointing for Miss R, so I've explained why below.

I think it would be helpful to explain that my role here is to think about the individual circumstances of this particular complaint, rather than to consider Monzo's broader policies or business practices as a whole. In short, I must decide whether Monzo did something wrong in relation to the matters detailed in this complaint, and, if it did, whether that caused Miss R to lose out as a result. I should also mention that Miss R has raised other concerns about her account with Monzo, but as they relate to separate matters, I haven't addressed them in this decision. As such, this decision focuses solely on the issues Miss R experienced with her debit card, and Monzo's actions in that regard.

From the information I have on file, I haven't been persuaded that the card issues were as a result of something Monzo did wrong. I say this because Monzo has been able to show that the declined transactions during the period in question were mostly as a result of, either, the card not being activated, or the PIN being blocked – likely due to Miss R exceeding her offline PIN attempts. I can see this was mentioned to Miss R by Monzo's agents during her chat conversation on 20 September 2024, but without further explanation, despite Miss R's requests.

Whilst Miss R has stated the issues first began in August 2024, her statements show no card purchases on the account from 26 July 2024, with the next purchase taking place on 22 September 2024. In either case, it appears the issue was resolved in September, and this matches what Monzo has said about the card being unblocked on 20 September 2024. During this period, there were a number of faster payments from Miss R's account, likely to her savings account, and so I can see she managed to mitigate the impact of the issue by sending her funds to an account she was able to make purchases from.

Given the above, whilst I don't think Monzo are responsible for the issue with Miss R's debit card, I agree with Monzo that its communication about the issue could have been better. And, from what I can see of the impact to Miss R – given that she was able to mitigate a lot of the effects of the card issues – I think £100 is a fair way to address the inconvenience this would have caused.

My final decision

My final decision is I uphold this complaint in part and direct Monzo Bank Ltd to pay Miss R £100.

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

James Akehurst
Ombudsman