

The complaint

Mrs B has complained Monzo Bank Ltd won't refund her for three transactions made to a merchant in October 2024.

What happened

Mrs B noticed transactions she didn't recognise on her Monzo account and contacted Monzo straightaway to block her card. She then asked for a refund of three transactions which had been made by way of an Apple Pay token.

Monzo felt they had sufficient evidence to show Mrs B had most likely authorised these transactions and wouldn't refund her. They also decided to close Mrs B's account.

Mrs B was unhappy with not being refunded and couldn't see why she'd claim these transactions were fraudulent if they weren't. Unhappy with Monzo's response, she brought her complaint to the ombudsman service.

Our investigator believed that Monzo's evidence was convincing and felt Mrs B must have set up the token and then used this to authorise three transactions.

Mrs B was upset with this outcome and continued to believe this wasn't fair. She was also concerned that our service wouldn't share the evidence we'd seen which suggested Mrs B had set up the token herself. She decided to ask Monzo for this evidence, but confirmed she wished an ombudsman to consider her complaint.

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've reached the same conclusion as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mrs B's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

Having reviewed the evidence, I believe there is sufficient to show that Mrs B authorised these disputed transactions. I say this because:

- An Apple Pay token was set up on 11 October 2024. It's clear from the technical evidence I've seen – and the steps that form part of this set-up – that this was completed on Mrs B's genuine mobile device. I appreciate Mrs B denies she did this but bearing in mind the steps needed to validate this set up, I'm not sure how or why a third party would do this. Particularly when I note this set up was completed 12 days before the disputed transactions.
- This token was used to authenticate the disputed transactions on 23 October. Just before these transactions Mrs B used her card to make a contactless transaction.
- I can see from the technical evidence shared by Monzo that seven transactions were attempted to be made with the same merchant (a well-known online merchant). Four transactions were declined due to insufficient funds. Mrs B has argued that she wouldn't have used her device to make these disputed transactions as she'd have been aware that there weren't sufficient funds. I agree with her that this could be seen as unusual. I have balanced Mrs B's testimony with knowledge that she had made purchases from this merchant before, as I can see from her Monzo statement.
- Monzo's evidence shows the device, and IP addresses used at the time of the disputed transactions, match Mrs B's previous use.
- There were also no indications that Mrs B's device or account could have been under the control of a third party, nor why a third party would be trying to make these three transactions.
- I can see Mrs B's history of her account with Monzo. By this date in October 2024, there had been five previous fraud claims over the previous year and a half. I suspect this may have some bearing on Monzo's decision to close her account as their risk appetite was no longer prepared to accept her as a customer.

I appreciate Mrs B's strength of feeling that she didn't authorise these transactions but overall I believe she must have, and the evidence I've seen backs this up.

I won't be asking Monzo to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mrs B's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 16 January 2026.

Sandra Quinn
Ombudsman