

The complaint

Miss B complains Monzo Bank Ltd took too long to refund her after she was the victim of fraud, causing her unnecessary distress and inconvenience.

What happened

I sent the parties a provisional decision in January 2024, in which I set out the following background to the complaint and my provisional findings, as follows:

Miss B explained she was the victim of fraud on her account in 2022 she lost over £3,000 after someone called her fraudulently claiming to be from a third party bank. This matter was investigated by Monzo at the time, who rejected her claim.

Miss B explained she contacted Monzo again in early 2024 regarding her case. Eventually Monzo overturned its original decision not to refund her after she had presented new information during this contact. She explained she considers this means Monzo's original investigation was flawed and it did not conduct a full investigation in 2022, causing her unnecessary distress and inconvenience. Miss B has provided evidence of the distress she has sadly suffered, which has included significant time away from work, causing financial loss, and ongoing health conditions.

Monzo wrote a final response letter to Miss B in September 2024. It partly upheld her complaint. Monzo confirmed it reviewed her case when she provided fresh information after its original decision in 2022. Monzo accepted the review took longer than it would have liked, explaining this review was conducted by a specialist team which accounted for some of the delay.

Monzo also accepted there were 'gaps' in its service. Monzo said it should have been more reassuring to Miss B explaining it was taking the steps necessary to review her case and apologised to her for not providing the level of service she should expect.

Monzo also apologised for not meeting the deadline it had advised. It offered to pay compensation of £225 for these issues. It also offered a further £82.61 compensation based on 8% interest for the outstanding sum taken fraudulently.

However, Monzo didn't accept it had made a mistake with its original investigation, explaining its decision was based on the evidence it had at the time.

Our investigator didn't think Monzo needed to do anything else. They explained Monzo wasn't aware of some of the factors when it first assessed Miss B's complaint and they didn't think it was fair or reasonable to hold Monzo responsible for not considering factors it didn't know about. They thought the compensation Monzo offered was reasonable.

Miss B rejected our investigators recommendation explaining she didn't agree the compensation was sufficient for the distress and inconvenience she had suffered. Miss B explained the efforts to obtain a refund and detailed the effect this had on her mental health.

As Miss B rejected our investigators recommendation, her complaint has been passed to me to make a final decision.

My provisional findings

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

I appreciate how much this fraud has affected Miss B and I was pleased to see she has now received a full refund from Monzo. I was very sorry to read about how this matter has affected her personally and how long it has taken her to get a refund. I understand how strongly Miss B feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

As Monzo has now issued a full refund of the disputed transactions, I am satisfied the only outstanding issues for me to make a decision on is whether the compensation offered is reasonable and fair taking into account all of the circumstances since Miss B's complaint was reopened. As our service previously provided a final decision regarding Miss B's original complaint, I can only consider issues which have occurred after this decision.

As I starting point, I accept that the information Miss B gave Monzo towards the beginning of 2024 caused it to reconsider her case and ultimately refund her in full for the disputed transactions.

I do not intend to go into detail about what new information Miss B provided to Monzo which caused it to reassess Miss B's claim, this is well known by both parties and is of a sensitive nature. In summary; Miss B has said she became aware of the new information in January 2024 and first notified Monzo of it in February 2024. She provided evidence she sent a report regarding this information to Monzo in late February 2024, she has also confirmed this was the first time she had mentioned this information as she had not been aware of it until January 2024. I have considered the evidence and the notes provided by Monzo and can see this led Monzo to reconsider Miss B's culpability for the fraud, which in turn led to it changing its decision.

Miss B continued to chase Monzo about her case, the details of these contacts are a matter of record which both parties have access to, so I won't repeat them here. To summarise, having explained the new information and provided evidence, Miss B was asked numerous times to provided identification through a process which she had done during her first contact with Monzo in February. Miss B also explained the new information numerous times to Monzo during this period.

Having examined the email exchanges during this period, I agree the customer service here was poor and was clearly causing Miss B distress and inconvenience. Monzo appear to have repeatedly asked Miss B for the same information on many occasions, including the information she had provided it when it had first asked.

After Monzo agreed to refund her, it first only paid half the sum it should have. Again, this was poor service, compounded by Monzo's failure to respond to her when she contacted them about this. Miss B has detailed how distressed she became, and I have no reason to doubt this would have been a difficult time for Miss B.

However, I must also weigh this up against the underlying cause of the distress and inconvenience. I consider, on balance, the fraud was the overarching cause of this, which was not caused by Monzo.

I can see Monzo has offered £225 compensation for distress and inconvenience and £307.61 in total. Monzo has explained why it has offered this compensation, which is only for the issues which have occurred since Miss B provided new information at the beginning of 2024. I am also mindful Monzo ultimately accepted and considered the new evidence, came to an agreeable decision and provided a refund.

However, Miss B has provided significant clear evidence the impact on her was considerable. I recognised the numerous contact Miss B had with Monzo, well over one hundred during this period, with many repeatedly asking her for the same information it had already been provided with. I can see this impact lasted over many months. Miss B provided the evidence to Monzo approximately seven months before the refund and final response were provided. In the circumstances, and from the evidence provided, I have no reason to doubt the impact on Miss B was considerable.

I also note the final response letter made no mention of the specific impact or reference to how it should treat Miss B considering the new information she provided. Considering Miss B consistently explained throughout her correspondence with Monzo what this new information was and how it impacted her, I do not think this was a fair or reasonable. This is important, as I think there is evidence, on balance, whilst Monzo may have recognised the new information changed the outcome, it does not appear to have recognised this information in its dealing with Miss B throughout the reviews, or that it may need to consider its approach in light of this new information.

For these reasons, I am currently minded that the compensation offered is lower than I would expect in these specific circumstances, having carefully considered the evidence provided by both parties.

I am therefore currently minded to award a total of £500 compensation which includes the distress and inconvenience and interest element combined. This is in line with what I would expect in the circumstances presented and within the general framework our service uses when assessing compensation amounts, details of which are available on our website.

As this is a provisional decision I welcome further representations from both parties before I will issue my final decision.

My provisional findings and the parties' responses

Monzo accepted my provisional decision.

Miss B responded highlighting the stress and worry this issue caused her and the effects this has had on her health. I was again sorry to hear of the distress, ill health and upset this matter has caused Miss B over the years. Miss B also reiterated the financial hardship she had suffered. I appreciate Miss B has also provided evidence from other cases we have published and information about compensation awards taken from our services website.

Because of these reasons, Miss B explained she thought the compensation I provisionally suggested was too low.

Whilst I do understand and appreciate how much of an affect these issues have had on Miss B, I do not consider the representations she has made is new evidence or information, or anything I didn't examine in my provisional decision.

I understand Miss B wishes for me to award significantly more compensation. The period of time and actions of Monzo I can award for is, however, limited. I can only consider issues between when Miss B made Monzo aware of the new information, to when it refunded her in

full. As explained above, I cannot consider awarding compensation for distress and inconvenience before this as this was subject to a previous investigation and therefore limits the scope of any award to this specific time frame. This in no way detracts from the obvious problems and concerns this has caused Miss B over the whole time frame from when the fraud occurred, for which she has my sympathy.

Therefore, for the reasons I highlighted in my provisional decision above, I remain of the view £500 is a fair and reasonable award taking into account the full circumstances.

My final decision

For the reasons I have given, I require Monzo Bank Ltd to pay Miss B a total of £500 compensation for the interest on the refund as calculated above and the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 14 February 2025.

Gareth Jones
Ombudsman