

The complaint

Mr G complains about Monzo Bank Plc (Monzo) when he attempted payments using his Monzo account, and the subsequent service he received.

What happened

The specifics of what happened are well known to both parties, so for ease of reading, I will summarise the key points. In November 2024, Mr G attempted to make two purchases totalling approximately £400 to a merchant. The payments did not authorise, but they did debit Mr G's account, so he raised the matter with, and complained to Monzo via their chat facility who investigated.

The funds were reccredited two days later but within the communication Mr G had with Monzo, there was a delay in their review of the dispute, and Monzo gave Mr G a poor timescale information about a callback.

Monzo concluded their investigation and issued Mr G with a final response letter in which they admitted their delay and callback timescale errors. As a result, they awarded Mr G £50. Monzo also addressed Mr G's unhappiness that the dispute wasn't prioritised in view of Mr G travelling and being temporarily without the £400. Their response was that Mr G had not made Monzo aware of any vulnerabilities, or told them the dispute had caused financial difficulties.

Dissatisfied, Mr G brought his complaint to our service reiterating Monzo's errors, the financial difficulties aspect, and that the compensation figure should be increased to £300. After looking into the complaint, our investigator issued their view in which they said Monzo did not need to do anything further. They said Monzo correctly followed their process in terms of the transactions, they had apologised and compensated Mr G, and there was no evidence to suggest the disputes caused Mr G financial hardship.

Mr G disagreed with this outcome and requested an ombudsman review his complaint saying he disagreed about the financial hardship aspect.

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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have looked at the information Monzo has supplied to see if it has acted within its terms and conditions and to see if it has treated Mr G fairly.

I was sorry to learn that what should have been straightforward purchases turned into a prolonged and drawn-out complaint. I sympathise with Mr G for the frustration he experienced. It's our role to identify if a business has made a mistake and if so, look at the impact this has had on the consumer. I'm pleased to see that Monzo admitted to their errors, awarded compensation, and said feedback would be delivered.

Moving on from the errors, what appear to be the two outstanding issues here are Mr G's unhappiness about our investigator's view (and Monzo's stance) on any financial distress this incident caused, and the compensation amount.

Looking at the first issue, I agree with the investigator that from the evidence supplied, it is fair to conclude that this issue did not cause the financial hardship that Mr G has raised. Primarily, I base this on Mr G's comment within his chat with Monzo in which he referred to the amount in question as 'not a big deal'. Additionally, our investigator noted that Mr G transferred in funds from a separate account around the time of the dispute and, Mr G only let Monzo know that he was travelling after the funds had been recredited.

I note that within correspondence to our service, Mr G has commented that Monzo never asked him at the time whether the dispute was causing financial difficulty, and this is a failure of theirs. But I can't agree as I would reasonably expect Mr G if he was affected in this way, to make Monzo aware as a priority, despite Mr G's comments that some people may find this distressing.

I turn now to the increased compensation which Mr G has asked for. In view of Monzo following process regarding the transactions, their customer service errors, and the impact on Mr G, I find their amount of £50 to be fair and reasonable. In conclusion, I cannot reasonably ask Monzo to do any more.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 March 2025.

Chris Blamires
Ombudsman