

## **The complaint**

Miss H complained because Monzo Bank Ltd refused to refund her for three transactions which she said she didn't authorise.

## **What happened**

On 5 and 6 November 2024, three payments totalling £274 debited Miss H's Monzo account. On 7 November, Miss H contacted Monzo using chat. She said someone had accessed her card or card details, and had made the payments. She still had her card. She said no-one else had access to her phone, which was protected by Face ID security. She also confirmed she hadn't had any calls, emails or texts asking her to share her information or click on links.

There was a disagreement on chat between Monzo and Miss H about whether Miss H had answered all Monzo's questions. Monzo closed the case saying Miss H hadn't responded, and Miss H said she had filled out the form. Monzo then investigated, but it didn't uphold Miss H's complaint and refused to refund her. She complained.

In Monzo's final response, it said that it couldn't treat this as fraud because the activity suggested only Miss H or an authorised user could have made the transactions. It also said it had reviewed its communication and hadn't been able to identify any errors in the service provided to Miss H.

Miss H wasn't satisfied and contacted this service. She told us what had happened, and said that she wanted the payments returned as she hadn't authorised them.

Our investigator didn't uphold Miss H's complaint. He said the evidence persuaded him that the payments couldn't have been carried out by an unknown third party.

He explained that Miss H's phone had had a mobile payment service added on 21 October, which could only have been created by the account holder using a one-time passcode (OTP). Adding the Monzo card to Miss H's phone would have needed her long card number, CVV (security number) and card expiry date. A notification had been sent to Miss H's device, with a text to her confirmed phone number.

The disputed November transactions had been made using the mobile payment service. Accessing the mobile payment service on Miss H's phone would have needed a passcode or biometric data, and Miss H had confirmed she had Face ID. Miss H still had her card and phone. So the investigator said he couldn't ask Monzo to refund Miss H because the transactions had been made using the device which was accessed through Miss H's Face ID.

Miss H wasn't satisfied. She said she was very disappointed that our investigator had concluded that she wasn't entitled to a refund for money taken from her account without her knowledge. She asked why the investigator had mentioned that she'd downloaded the mobile payment service in October, and asked what that had to do with the money being taken from her account. She asked for proof of the investigator's statement that the disputed

transactions had been made using the mobile payment service. She said she hadn't authorised the payments and didn't have any dealings with the recipient bank.

Miss H said that all she could think of was that when she'd bought an item from a social media platform, she'd entered all her details to make the payment, though she now knew to avoid those kind of purchases. She said she'd also thought the mobile payment service was safe to use and that it was supposed to secure her card information.

Our investigator checked with Monzo about Miss H's request for a copy of the evidence it had sent to us, which showed that the disputed transactions had been made using the mobile payment service. But Monzo didn't agree to our sending Miss H a copy, because it was from an internal system and it wouldn't share the contents with a customer.

Miss H asked for an ombudsman's 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.

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So what I have to decide is whether the evidence indicates it's more likely than not that Miss H, or an unknown third party fraudster, carried out the disputed transactions.

I've seen the technical computer information about the setting up of the mobile payment service and the three disputed transactions. This shows that the mobile payment service had been added to Miss H's account on 21 October. A message was sent to Miss H's registered phone, saying "*your card ending \*\*\*\* has been successfully set up for [name of mobile payment service].*" The reason why the investigator mentioned the mobile payment service is that it was then used to make all three disputed transactions.

And although I appreciate that Miss H would have liked to see Monzo's computer details for herself, I confirm that I've seen copies of the computer records which show that the three disputed transactions were all carried out using the mobile payment service.

Monzo told us that adding the mobile payment service was done using a one-time passcode. And adding the Monzo card to her device needed to the long card number, CVV security number and expiry, with a notification to Miss H's existing phone number confirming it had been set up. This makes it very unlikely that anyone other than Miss H had set up the mobile payment service. But in fact I can't see that Miss H has disputed setting up the mobile payment service. What she's disputing is that she authorised the payments using it.

Accessing the mobile payment service needs a passcode, or biometrics, and in Miss H's case she confirmed she uses Face ID. Miss H also hadn't lost her phone or her card. So I can't see how anyone other than Miss H could have accessed her device and authorised these disputed transactions.

In Miss H's reply to the investigator's view, she said she'd bought an item from a social media platform, and to do this she'd entered all her details to make the payment, though she now knew to avoid those kind of purchases. I can't comment on the social media platform Miss H used, and I can't know whether or not her information was compromised on that occasion. But whoever authorised the disputed transactions had access to Miss H's phone and mobile payment device, and her phone was protected by Face ID.

As I can't see how anyone other than Miss H could have carried out the disputed transactions, I don't uphold this complaint and Monzo doesn't have to refund her.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 2 April 2025.

Belinda Knight  
**Ombudsman**