

The complaint

Ms C complains that Monzo Bank Ltd didn't get the money back she paid for faulty goods.

What happened

At the end of May 2024 Ms C ordered a hot tub at a cost of £350. She paid for it using her Monzo debit card. The hot tub was delivered to the wrong address and Ms C had to pay to have it taken to her address. When she got it Ms C found some parts were missing. She has told us that her family had made similar purchases from the supplier and they were happy with them. She had made this purchase on Amazon, but she only realised later that she had paid using her Monzo account. At first she thought she had paid for it from another bank account.

She contacted Monzo on 31 July 2024 and it asked for evidence that she had contacted Amazon. Ms C explained that she couldn't contact Amazon as her email address is blocked and she had changed her phone number.

Ms C had regular contact with Monzo about this and other issues she was having on their online chat function. Monzo tried to help her but said it needed evidence that she had made contact with Amazon and had tried to return the damaged goods. It didn't receive the evidence and the time limit for making a chargeback had passed and so it told Ms C there was nothing more that it could do.

Ms C's complaint was rejected by Monzo and so she bought a complaint to this service. It was considered by one of our investigators who didn't recommend it be upheld. She explained that Monzo needed more information to allow it to chase the operator of the card scheme, MasterCard for a refund. MasterCard had a time limit for claims and once this passed Monzo couldn't take it further.

Ms C asked that her complaint be considered by an ombudsman.

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 appreciate the financial and mental health difficulties Ms C has had but I can't uphold her complaint. I will explain why.

Firstly, I should explain how the chargeback system works. Chargeback allows for a refund for a payment made with a credit or debit card in certain scenarios, such as when goods have been paid for and not received. A consumer cannot make their card company attempt a chargeback, but I would expect it to attempt one, as good practice, if there was a reasonable chance of a refund and to do so would meet the rules of the card scheme the card belongs to, in this case Mastercard.

Monzo does not make the refund. It puts the case for a refund to the merchant, in this case

that is Amazon. But, it can challenge a claim under the chargeback process so it is important to have evidence for any claim.

MasterCard has rules for making chargebacks and it has a set of reason codes. The reason code for Ms C's situation is: "Goods or Services were either not as described or defective". MasterCard needs proof that "the cardholder contacted the merchant, or attempted to contact the merchant, to resolve the dispute. It goes on to say: "For disputes involving goods, the cardholder returned the goods or attempted to return them."

Monzo did not get proof that Ms C had contacted Amazon or tried to return the goods. This meant it had no grounds for making the chargeback.

MasterCard also operates strict time limits and after the limit has passed Monzo was not able to try and get Ms C's money back.

It is a shame Ms C did not get her money back but I cannot see that Monzo did anything wrong. It tried to help her but without the proof it needed Monzo could not do anything else. I also note that throughout this time Monzo was in frequent contact with Ms C through its chat function and tried to offer her help and support.

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 Ms C to accept or reject my decision before 11 April 2025.

Ivor Graham
Ombudsman