

## **The complaint**

Mrs L has complained Monzo Bank Ltd wouldn't refund her when she didn't get cash out of a cash machine.

## **What happened**

Mrs L used a supermarket cash machine on 17 September 2024 to withdraw £200. She didn't get the cash despite hearing the machine counting, the money being dispensed then immediately withdrawn back into the machine. Her Monzo account was still debited.

Mrs L complained to Monzo who temporarily refunded her. After the result of the chargeback dispute which Monzo raised with the cash machine owner, Monzo told Mrs L there was nothing wrong with the cash machine and they couldn't refund her. They took back the credit they'd made, leaving Mrs L to go overdrawn.

Mrs L brought her complaint to the ombudsman service.

Our investigator asked Monzo for additional evidence to see whether there was anything available about the state of the purge bin. Monzo confirmed they didn't have this information. Our investigator asked Monzo to refund £200 to Mrs L along with £50.

Monzo objected to this finding and provided their detailed comments about why they believed their role was as an enabler for their customers' cash machine withdrawals and weren't convinced there was an intention to include cash machine withdrawals within the Payment Services Regulations.

This complaint has been referred to 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.

Having done so, I've reached the same outcome 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.

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.

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.

Firstly, I can confirm there's no indication – contrary to Monzo's view – that regulation 75 of

the Payment Services Regulations 2017 wouldn't include cash machine withdrawals. This ensures customers can rely on their payment service providers when considering whether the payment transaction was properly executed.

I would normally expect to see more data from the payment service provider – Monzo in this complaint – showing information on the purge bin within the cash machine and evidence of whether this balanced or not. I appreciate Monzo has stated they've provided data in line with the cash machine network rules. However, they'll be aware we require additional data to help us get as full a picture as possible. And in line with our normal approach, I can take into consideration that certain data is missing.

I don't believe Mrs L received £200 as requested from the cash machine. I say this because:

- Mrs L's testimony has been consistent throughout that as soon as the money appeared – which she tried to grab – it was taken back by the cash machine.
- Specifically, Mrs L raised her immediate concerns with the supermarket who confirmed she'd need to raise this with her bank.
- The journal roll shows Mrs L used her card to request £200. This suggests the money was dispensed. Withdrawals after this all seemed to operate without issue.
- I have considered whether Mrs L may just have been mistaken and in fact received all the money she requested and then perhaps mislaid the cash. But I'm not sure why I should believe she was mistaken. This feels rather insulting to her.
- The cash machine journal roll is limited on detail. I would normally expect to see more data from the bank – including more detailed timings and the note denomination of the dispense.
- There's no information about what may have been included within the purge bin.
- Monzo has provided no evidence why Mrs L must be mistaken or lying, nor have they confirmed Mrs L has any history of previous fraud claims.

On balance and based on all of the evidence, I don't believe there's enough to show the withdrawal was completed.

### **Putting things right**

Monzo will need to refund Mrs L for the money she didn't receive when she used the cash machine in September 2024.

Like our investigator, I believe a small amount of compensation would be fair and reasonable. £50 is I think the right amount.

However, I can see that Mrs L believes her overdraft costs on her Monzo account were caused by Monzo re-debiting her account in December 2024. Monzo will need to ensure that any overdraft costs related to the £200 which Mrs L didn't receive are credited to her account, along with paying 8% simple interest for the time Mrs L was without £200.

### **My final decision**

For the reasons given, my final decision is to instruct Monzo Bank Ltd to:

- Refund £200 to Mrs L;
- Remove any overdraft costs related to the payment taken on 17 September 2024;
- Pay Mrs L £50 for the trouble caused; and
- Add 8% simple interest to £200 for the period Mrs L was without her funds.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 20 June 2025.

Sandra Quinn  
**Ombudsman**