

The complaint

Mr N complains that Monzo Bank Ltd (Monzo) won't refund a £400 transaction which he says he didn't authorise.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr N says he lost his wallet containing his card and PIN (personal identification number) and realised that £400 had been taken from his account.

Monzo didn't refund the payment as they said that Mr N hadn't taken reasonable steps to keep his account, card, and PIN safe as the PIN and card were stored together. They said that they were acting in line with the terms and conditions of the account.

The investigator concluded that Monzo acted fairly by not refunding Mr N the payments he's disputing. As Mr N disagrees this complaint has passed to me for a decision. He has stressed that he didn't make the withdrawal and didn't agree for someone else to complete the transaction.

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 don't uphold this complaint.

Generally speaking, Monzo is required to refund any unauthorised payments made from Mr N's account, and Mr N should only be responsible for transactions made on his account that he has authorised. Those rules are set out in The Payment Services Regulations 2017 (PSRs). The PSRs go on to say that if payment server user (here Mr N), as a result of gross negligence, failed to take reasonable steps to keep his security details safe, resulting in a third-party getting a hold of those security details to carry out the unauthorised transaction, they would be liable for any losses incurred as a result of that transaction. I've considered this part of the regulation in more detail below.

Monzo's internal notes show that the ATM cash withdrawal was completed via Chip and PIN and I've seen nothing to show that there were multiple failed PIN attempts. I therefore think it's likely that the withdrawal was completed by somebody who already knew the PIN. And based on what Mr N has said this likely occurred because they had taken his wallet which contained his card and PIN.

Monzo's account terms which set out what Mr N and Monzo agreed to, say Mr N will not be able to claim back money he may have lost if he was very negligent in keeping his phone, card, PIN or other security details safe.

When Mr N reported the transaction to Monzo he said that his PIN was "etched in on the card" – and when he contacted our service, he said that he kept his PIN written on a piece of

paper in his wallet. What isn't disputed is that he kept his PIN and card together. When he contacted Monzo he explained that this was because he always forgot his PIN and he did this to keep his PIN safe.

As I have detailed above under the PSRs and the terms of the account Mr N was required to keep his security details safe. And in my opinion a reasonable person would think keeping a PIN together with the bank card is an unsafe thing to do. As all anyone would need to do is take the wallet and they would have access to the funds in the account. Storing the card and PIN together effectively negates the extra layer of security a PIN provides.

Because of the above, after carefully considering all the information given, I find that Mr N was grossly negligently in the way he recorded and kept his PIN. And that makes him responsible for the withdrawal.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 16 April 2025.

Sureeni Weerasinghe
Ombudsman