DRN-5404602

The complaint

Ms B complains that Monzo Bank Ltd hasn't reimbursed payments she says she didn't make or allow anyone else to make.

What happened

Ms B is disputing several payments totalling around £470 in August 2024. She says she doesn't recognise them and wasn't involved.

Monzo has held Ms B liable on the basis that the payments were authorised as it didn't have evidence to support them being fraudulent. It says the payments were made via an Apple Pay token that was set up ten days earlier which involved access to Ms B's Monzo app on her registered device.

When Ms B complained to our service, the investigator didn't uphold it. In summary they concluded that Ms B had been involved in setting up the Apple Pay, and that without an explanation of the circumstances surrounding this didn't think Monzo had acted unfairly.

Ms B didn't agree, she said she already had Apple Pay set up months earlier and that her phone couldn't have been used. She thinks a scammer got her card details and used them on their own device somehow.

The investigator explained Apple Pay was set up on a further device at the beginning of August and that without knowing how this was done, we didn't have an explanation for how a third party could make the payments without her knowledge or consent.

As an agreement couldn't be reached, the matter has been passed to me for consideration 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.

Having done so, I've reached the same conclusion as the investigator for similar reasons.

Under the relevant law - the Payment Services Regulations 2017 (PSRs) – the starting point is that Ms B is liable for payments she authorised. Monzo is generally expected to reimburse unauthorised payments, but the PSRs also set out situations in which Monzo can hold Ms B liable for unauthorised transactions.

Here, Ms B says she didn't take the steps that set up Apple Pay with her card in August 2024, nor did she make the payments she's disputing. She's explained the device she uses to access her Monzo banking app is her phone and that this would have been with her or in her locker at work at the time Apple Pay was set up. And that she's still in possession of it.

Monzo has shown that when Apple Pay was set up on a new device in August 2024 the following was involved:

- The user input Ms B's card information including CVV on the device.
- The set up was approved in Ms B's banking app – accessed using Ms B's usual registered device.
- Ms B's card PIN was entered in her banking app during this session.

Monzo has also shown that it sent Ms B an SMS to her registered phone number confirming Apple Pay had been set up at the time. Ms B received this but doesn't recall noticing it at the time.

Where evidence is incomplete, missing or contradictory, I need to determine what I think is more likely than not to have happened. I do this by weighing up what I do have and making a finding on the balance of probabilities.

In the circumstances, I think it's more likely than not than Ms B was involved in setting up Apple Pay on a new device in August 2024. This is because there's no other plausible explanation for how an unknown third party could have accessed Ms B's device or would have known the secure information needed to access her device, banking app, and enter her card PIN.

Ms B has been given the opportunity by Monzo and our service to explain what occurred and she has been consistent in saying that she didn't receive any suspicious contact at the time, nor did she share any secure information or access her banking app that day.

Without an explanation of the circumstances surrounding setting up Apple Pay, I don't think Monzo has acted unreasonably in treating the payments as authorised. While it may be that Ms B has been scammed, it wouldn't be fair to assume how these events unfolded.

Based on what Ms B has told us, there's no way to assess whether Ms B agreed to the payments (by making them herself or allowing someone to make them on her behalf) or if she was tricked into taking steps thinking she was doing something else. But the evidence we do have conflicts with what Ms B has told us. For these reasons, I don't think Monzo has unfairly declined to reimburse Ms B.

Monzo offered Ms B £30 compensation for the delay in reviewing her claim – I don't think it needs to increase this. While I understand Ms B has found this a stressful experience, and that there has been a financial impact on her, I don't think it would be fair to hold Monzo responsible for this as it has acted reasonably in the circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 6 October 2025.

Stephanie Mitchell

Ombudsman