

## **The complaint**

Mr G, on behalf of a limited company, complains that Monzo Bank Limited didn't do enough to help it when it told Monzo about a dispute it had with a merchant. This dispute was over services paid for using its Monzo business current account.

## **What happened**

Mr G is a representative of a limited company which I'll refer to as "R" throughout. In November 2023 R purchased a subscription to a platform which provides legal and other support for business growth. The plan cost £1,198.80 and was paid for using R's business account debit card. Mr G, on R's behalf, said he attempted to cancel the plan around 5 days later, but this was too late as the plan only had a 48-hour cancellation window.

On 8 March 2024 Mr G contacted Monzo to raise a chargeback on R's behalf. He said that R hadn't received any services in exchange for the payment and the refund request had been made within 14 days provided by remote selling obligations.

On 14 March Monzo informed R that it couldn't create a dispute without more information. It asked Mr G to submit the disputes form together with evidence of the merchant's cancellation policy.

Mr G on R's behalf resubmitted the form on 19 April, but didn't include the cancellation terms. Monzo wrote to R in response to explain it was now out of time to raise a chargeback. Mr G, on behalf of R, argued that Monzo should have requested an extension/ additional time due to Mr G's disabilities. He feels Monzo has breached the Equality Act 2010. Monzo considered Mr G, on behalf of R's complaint, but didn't uphold it.

Unhappy with Monzo's response, Mr G, on R's behalf, referred a complaint to our service. One of our investigators considered the complaint but didn't uphold it. They also didn't think Mr G, on R's behalf, provided sufficient information for the chargeback to be accepted. And they didn't agree that Monzo could have provided an extension or obtained one from the card scheme operator on R's behalf. Mr G on R's behalf didn't agree with the outcome the investigator reached and asked for an ombudsman to consider the complaint.

## **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've read everything that the parties have said, but I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. And our rules allow me to do this. This reflects the nature of our service as a free and informal alternative to the courts.

Mr G, on R's behalf has made a number of arguments about how Monzo has breached the Equality Act 2010. I have taken the Equality Act 2010 into account when deciding this complaint – given that it is relevant law – but I have ultimately decided this complaint based

on what is fair and reasonable. Only a court has the power to decide if the Equality Act 2010 has been breached.

A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows for requests to be made to have a transaction refunded in a number of situations, some common examples being where goods or services aren't provided, or where goods or services aren't as described.

There's no automatic right to a chargeback; the chargeback process doesn't give legal rights and chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by the merchant. This is because the rules, set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed. If a financial business thinks that a claim won't be successful or hasn't been provided with sufficient information to determine this, it doesn't have to raise a chargeback.

Mr G, on R's behalf, has said the service was due to commence on 20 December 2023. So under the relevant Mastercard chargeback rules for goods/services not provided, R had 120 days from that point to raise a chargeback. Mr G, on R's behalf, didn't raise the chargeback until 8 March 2024 and therefore a considerable amount of this time frame had expired by this point. After the chargeback was submitted, Monzo replied on 14 March asking for evidence of the merchant's refund policy. Mr G, on R's behalf, resubmitted his claim on 19 April, but didn't include the refund terms. In response Monzo explained that R was now outside the relevant time frames to make a chargeback claim.

Mr G, on R's behalf, has said that based on Mr G's disabilities Monzo should have afforded him more time to reply. However, the time frames are not set by Monzo, they are set by the card scheme operator – Mastercard. And they affect both parties to the dispute. So Monzo wasn't able to agree an extension to respond.

Mr G has also argued that Monzo should have approached Mastercard to ask for an extension on his behalf. I have reviewed the online chat between Mr G and Monzo. I have noted that in response to being told R was now out of time to raise a chargeback, Mr G explained his disabilities and the impact they have on him. He is passed to the customer support team and agreed that his circumstances could be noted on their system. This suggests that Mr G hadn't made Monzo aware of his circumstances prior to this. It's therefore not reasonable to have expected Monzo to request an extension during the chargeback timeframe if it wasn't aware of Mr G's disabilities. And in any event, even if Monzo had requested an extension, I can't say it's more likely than not that an extension would have been given. As I've explained above, both sides to the dispute are subject to deadlines, not solely Mr G on R's behalf and the Mastercard rules are worded to suggest the timeframes are very strict.

Mr G has also said that when submitting the dispute form (to raise the chargeback on R's behalf) he found it challenging to use. However, I can't see he raised that with Monzo at the time or asked for additional help, nor did he request using alternative communication channels when raising the chargeback. Mr G, on R's behalf, has also asked why Monzo didn't contact the merchant itself to gather additional evidence. However, this is not Monzo's role in this process. Monzo's role was to gather information from Mr G on R's behalf and raise the chargeback on R's behalf if it had sufficient information to conclude the claim had a reasonable prospect of success. And again, Mr G didn't raise that he wanted this help.

I appreciate Mr G, on R's behalf has argued certain legislation which provide protections to consumers should apply to this business-to-business contract, because of his circumstances. However as explained above, I don't think Mr G, on R's behalf, provided

sufficient evidence to allow it to make a chargeback claim. So I don't think I need to consider this point further.

Whilst I am sympathetic to Mr G's circumstances and the impact this has on him, I don't think Monzo has acted unfairly in how it's handled Mr G, on behalf of R's, chargeback claim. I also think that when it became aware of Mr G's circumstances, Monzo referred him to the additional support team to provide him with support going forward.

### **My final decision**

For the reasons explained, I don't uphold this complaint against Monzo Bank Limited.

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

Claire Lisle  
**Ombudsman**