

## **The complaint**

Mr F is complaining about Monzo Bank Ltd because it declined to refund money he lost from his account as a result of fraud. Mrs F has been acting as his representative.

## **What happened**

In summary, Mr and Mrs F experienced plumbing issues and contacted an emergency plumber. Someone attended the property and said they'd fixed the problem and took a card payment worth £1,277.40 from Mr F's account. The problem reoccurred shortly after and their request for a refund wasn't honoured. Mr and Mrs F now question whether the plumber actually did any work when he visited the property and believe they've been scammed.

Monzo didn't agree this was a scam, instead saying it was a private dispute between Mr F and the plumber and that it wasn't responsible for refunding the payment. Our investigator also didn't recommend the complaint be upheld. He felt the payment wouldn't have appeared suspicious and there was no reason for Monzo to question it before it was accepted. And that once the payment had been accepted, it was too late to stop it.

Mr F didn't accept the investigator's assessment. They've explained that they reported this to Monzo promptly and believe they were told the payment could be stopped before it reached the recipient.

The complaint has now been referred to me for review.

## **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 overall conclusions as the investigator. Mr and Mrs F have made extensive submissions in support of this complaint and I've read these carefully. But I haven't necessarily commented on every single point raised, instead concentrating on the issues I believe are central to the outcome. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

### *The payment*

I note someone did attend Mr and Mrs F's property and said work had been completed to rectify the issue and, from the information provided, it's not clear this was a scam whereby someone set out with the intention of defrauding them rather than simply providing substandard work for example. So Monzo may well have been correct to classify this as a private dispute rather than a scam. But I've nonetheless considered whether it would be liable to refund the money if it is accepted this was a scam as Mr and Mrs F maintain.

There's no dispute that Mr F authorised this payment. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr F.

I must take into account that many similar payment instructions Monzo receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly. Having considered what it knew at the time, I'm not persuaded it ought to have been concerned as a payment of this amount to a tradesman wouldn't have appeared suspicious. So I can't reasonably say Monzo was at fault for processing the payment in line with Mr F's instruction.

#### *After the payment was instructed*

Before going any further, it's important to understand that this was a card payment and that means Monzo had to decide whether to accept or reject Mr F's instruction straight away. And once the instruction had been accepted, while it might have shown in Mr F's account as pending as it waited for the merchant to collect the money, there was nothing Monzo could actually do to reverse or stop the payment. This means it was already too late for Monzo to stop the payment when Mr and Mrs F contacted it to say they'd been scammed.

Monzo has provided a recording of a call with one of its agents, which has been shared with Mr and Mrs F, where it was explained to them that the payment couldn't be stopped. Instead, the agent said she'd refer the matter to the relevant department to consider whether the money could be recovered.

Mr and Mrs F have referred to another call with another bank agent where they say they were told something different. We have contacted Monzo about this but it says it had no record of any other calls so I've been unable to establish that what they've said is correct. But even if it could be shown they were somehow misinformed about the process and what could be done, this wouldn't change the fact that Monzo couldn't stop the payment after it was accepted.

#### *Recovery of funds*

I've also looked at whether Monzo could or should have done more to try and recover Mr F's losses once it was told the payment was part of a scam.

The normal process for recovering fraudulent card payments is the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme

rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

I'd only have expected Monzo to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. This is because the method by which the payment was authorised would have meant any chargeback claim was considered invalid.

#### *In conclusion*

I'm sorry that Mr F has lost this money and I realise the outcome of this complaint will come as a great disappointment. But for the reasons I've explained, I think Monzo acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

#### **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 Mrs F and Mr F to accept or reject my decision before 10 November 2025.

James Biles  
**Ombudsman**