

The complaint

Mr S complains that Monzo Bank Ltd (“Monzo”) won’t refund money he lost when he fell victim to a scam.

What happened

The full details of this complaint are well known to both parties and have been set out by the investigator previously. So, I won’t repeat them again here. Instead, I’ll provide an overview and focus on giving my decisions.

The complaint concerns several card payments Mr S made from his Monzo account between May and October 2024 in relation to a course offered by a company “D”. The payments were instalments for the course which Mr S believes was a scam. Upon being notified of the dispute in November 2024, Monzo raised a chargeback dispute for payments it says were still in time and recovery was successful. It didn’t raise a chargeback for the first three payments totalling £470 and said they didn’t meet the chargeback scheme’s timescales. Monzo did, however, pay £50 compensation for providing Mr S conflicting information about these payments when it was looking into the chargeback.

Our investigator wasn’t persuaded there was sufficient evidence to conclude that Mr S had been scammed. They explained that even if they accepted that he was scammed, it wasn’t unreasonable for Monzo to have processed them without making enquiries – there was nothing suspicious about the payments that ought to have flagged as concerning. In relation to actions taken once Mr S contacted Monzo later on, the investigator was satisfied that the first three payments were made outside the time limits specified in the chargeback scheme rules. And the compensation offered for the error was appropriate.

Mr S didn’t agree and asked for an ombudsman to review his 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Not every complaint referred to us as a scam is in fact a scam. Some cases involve companies whose business practices were arguably unethical and/or misleading. However, while customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for themselves or of causing loss to another or exposing another to the risk of loss.
- I’ve carefully considered the information Mr S has provided in relation to his dealings with D. Having done so, while there are questions about D’s business practices, on balance, I’m not persuaded there’s sufficient evidence to conclude that was operating

a scam. But as the investigator said – and I agree – even if D was found to have been operating a scam, it doesn't automatically follow that Monzo becomes liable for Mr S's loss. For me to uphold this complaint and direct Monzo to refund Mr S, I would need to find that its acts or omissions caused his loss.

- I have reviewed Mr S's account and the payments he made to the alleged scam. Having considered when they were made, their value and who they were made to, I'm not persuaded Monzo ought to have found any of the disputed payments suspicious, such that it ought to have made enquires of Mr S before processing them. So, I don't think it acted unfairly in processing the payments he authorised.
- Once the payments were processed, Monzo couldn't have reversed them. As these were card payments, the appropriate recovery mechanism for any dispute would have been via a chargeback. A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. What this means here is that Monzo can in some circumstances ask for a transaction to be reversed if there's a problem with the goods or services supplied by the merchant that the consumer paid for. But the chargeback process doesn't give the consumer legal rights, and it isn't guaranteed to result in a refund. And time limits apply to when the card scheme would consider a chargeback valid. The time limits are set by the card scheme, not the individual card issuer.
- Mr S's card was issued under the MasterCard scheme. According to its chargeback rules, Mr S had 120 days either from either the date of transaction or from when he was expecting to have received the service paid for to raise a chargeback. I can see Mr S told Monzo that he expected to have access to the course after he made the first payment in May 2024. This suggests he expected to receive the service, which he paid for in instalments, almost immediately. I think he knew or ought to have known that something had gone wrong if he wasn't able to access the course, like he had expected to, after making the initial payment.
- When the dispute was raised at the beginning of November 2024, the first three payments, which were made between May and July 2024, were outside the 120 days timescale. As such, I don't think Monzo acted unfairly in rejecting the chargeback for these payments on the basis of them being outside the applicable time limits.
- Monzo has already accepted it provided conflicting information to Mr S when it was initially looking into the chargeback claim. It has paid £50 compensation to recognise the distress this confusion caused him. Having given this careful thought, I consider the amount the bank has paid is fair compensation. In reaching that conclusion, I'm mindful that even if Monzo hadn't given conflicting information, it wouldn't have impacted the chargeback outcome for the earlier payments – they would still have been out of time and deemed invalid.

Overall, I'm sorry to learn that this incident has had a lasting impact on Mr S, not just financially but also emotionally. But I can only uphold his complaint if I find that Monzo could have prevented him from making the payments in the first instance or should have done more to recover the money once it was notified of the matter. For the reasons given, I don't find that the bank has acted unfairly in either instance.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 June 2025.

Gagandeep Singh
Ombudsman