

The complaint

Miss L is unhappy with the way Monzo Bank Ltd (Monzo) treated her when dealing with her complaint about unauthorised transactions on her account and that Monzo incorrectly blocked her card twice.

What happened

The background facts are well known to both parties, so I will only cover these briefly. Miss L disputed two transactions made to a third party which she says she didn't authorise. These amounts have been refunded to her however Miss L is still unhappy with the customer service she received from Monzo.

Monzo accepts that the level of service they provided Miss L has fallen short here. Specifically acknowledging that they twice incorrectly cancelled her card and didn't call her back when they agreed to do so. In recognition of this they have offered her £75 compensation and following our involvement agreed to increase this amount to £100 total.

Miss L is unhappy with the amount of compensation offered and feels that £250 would be a fairer amount. The reasons she is asking for increased compensation for the trouble and upset cause includes but is not limited to:

- Her card being unnecessarily blocked on two occasions.
- Unhappiness with how her disputed transactions were handled – it appears that they were dealt with as a fraud complaint instead of a direct debit indemnity complaint. She had to chase for updates, wasn't paid compensation in the timeframe given, and had to resubmit her claim.
- A manager didn't contact her despite numerous requests for one to call her.
- The Monzo app closed resulting in her having to spend a lot more time and effort to resubmit responses and resolve the issues.

The investigator concluded that Monzo had acted unfairly here and recommended that Monzo increase their offer to £100 total – for the trouble and upset their poor service caused to Miss L.

Miss L didn't feel the current offer of £100 is fair here. She felt that it didn't adequately reflect the distress caused and that a further review of her complaint would help ensure fairer treatment for future customers. She is also looking for additional compensation for the trouble she experienced because of Monzo's customer service.

As an agreement wasn't reached this complaint has been passed to me for a decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality. I'd

like to assure both parties I've considered everything they have sent including the additional information provided following the investigator's view.

I appreciate Mr L has said that she hopes that my decision will set a precedent and that it will help future customers. However, it's important to note that within this decision I'm limited to only commenting on how Monzo's actions impacted Miss L only and not the wider implication on other customers. And if given the impact Monzo's actions had on Miss L if £100 is fair to compensate her for this and is in line with our approach.

Our service has an approach to compensation for distress and inconvenience which tries to be fair to both consumers and businesses and focuses solely on the impact any mistakes had on consumers. Our awards are not meant to punish businesses.

When deciding if Monzo's offer is fair I think a rough timeline of events is helpful here. Monzo's internal notes suggest that Miss L contacted Monzo on 28 October 2024 and her card was blocked. Monzo accepts in their final response to Miss L's complaint that this shouldn't have happened. And reviewing the chat history between Miss L and Monzo at this time this appears to have happened because Miss L shared her full card number and CVC number with the Monzo adviser. Miss L understandably was upset that she wasn't told not to do this. Monzo accepts that this shouldn't have happened and that they had the ability to simply block the message, so this sensitive information didn't show at their end. Miss L also asked to speak to a manager at this time – but I can't see that this was arranged. Monzo again acknowledges that this didn't happen and in their final response letter dated 25 November told Miss L that this call could still be arranged should she still want one.

Miss L then got in contact with Monzo on 10 November 2024 to complain about transactions she was disputing. It isn't disputed that this amount has now been refunded to Miss L and looking at the chat between Miss L and Monzo alongside Miss L's account statements this appears to have happened on 25 November 2024.

Everyone is in agreement that Monzo could have handled things better. It appears that this complaint was incorrectly categorised as fraud, which delayed Monzo's response. Although I'm pleased to see a response was given by Monzo in roughly 15 days from when Miss L first raised concerns about the disputed transactions. However the chat history shows that she was reaching out to Monzo repeatedly – which arguably wouldn't have been necessary if Monzo had initially dealt with her complaint correctly.

Miss L wants additional compensation for the poor customer service – and it does appear that Monzo has divided the compensation it offered into £25 for not receiving a callback and £50 for their card being incorrectly blocked twice. However, arbitrarily separating each complaint out seems counterintuitive here. Instead, I think it's fairer to take a more holistic view of whether the £100 in total Monzo has now agreed to pay is a fair reflection of the impact Monzo's poor service overall had on Miss L.

Miss L has also said that she had issues with communicating with Monzo through the online chat – and that the chat was often closed prematurely before she had time to respond. I can see, reviewing the chat history that Miss L often would repeat herself and there were times when she was able to successfully reference previous chats. All of this understandably would have added to her stress, and effort she spent in bringing the complaint. And is something I have taken into account.

After carefully considering all the information given by both Monzo and Miss L I'm satisfied that the £100 offered by Monzo is fair and in line with our approach.

Looking over Miss L's bank statements and her correspondence with Monzo I can see that Monzo paid her £75 on 10 December 2024. I'm therefore asking Monzo to pay the additional £25 to Miss L which they confirmed they haven't already paid.

My final decision

My final decision is that I uphold this complaint. I think £100 compensation is fair in the circumstances. As Monzo Bank Ltd have already paid £75 to Miss L they should pay the remaining £25 to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 22 July 2025.

Sureeni Weerasinghe
Ombudsman