

## **The complaint**

Mr S is unhappy Monzo Bank Ltd won't reimburse money he lost to a scam.

## **What happened**

Mr S was looking to purchase flights online. He came across an advert on social media for a travel agency ("T"). He agreed to purchase a flight from it. He provided his card details and, on 2 May 2024, a payment of £597.63 was made using those details to a different, genuine, travel agent ("B"). This payment was made using Mr S' 'Flex' credit card.

Mr S contacted T and Monzo because he hadn't received the tickets. T eventually said that it would provide a refund but in order for that refund to be processed he would need to approve the refund via an SMS message or passcode. In fact, T attempted to take another payment, which Mr S declined.

Monzo declined his claim for reimbursement. It said that it couldn't raise a chargeback because B had likely provided services to a third party. It also said that it couldn't consider the matter under Section 75 of the Consumer Credit Act 1974 ("Section 75") because he didn't have a contract with B. It did, however, acknowledge that it provided poor service and paid Mr S £40 as a result.

Mr S also attempted to pursue T through the courts. I understand he obtained a judgement but has been unable to recover his money because T couldn't be found. He's incurred additional costs because of this.

Mr S referred the matter to our service but one of our investigators didn't uphold his complaint. They agreed with Monzo that a chargeback would have no prospect of success, Section 75 didn't apply and Monzo couldn't reasonably have identified the payment as relating to fraud.

Mr S didn't agree. He said that it was an assumption that B had provided services, an assumption that he didn't think was correct and it was unfair for Monzo not to have contacted B to find out.

As no agreement could be reached, the complaint was passed to me for a final 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.

I'm sorry that Mr S has been the victim of a cruel scam and that he's lost money. I can understand why he feels that – one way or another – there should be some protection for him in circumstances like this.

Unfortunately for Mr S I don't think Monzo has made a mistake by declining his claim. I'll explain why.

I can't see that Monzo would have found this payment to be suspicious or concerning. It didn't particularly stand out against Mr S' transaction history and it was going to a well-known merchant. There also cannot be a valid Section 75 claim as there was no contract between him (the debtor) and B (the supplier), which is required for a valid Section 75 claim.

That leaves the question of whether Monzo should have attempted a chargeback and, if it should have done, whether it's more likely than not that chargeback would have been successful. It's important to note that I would only expect Monzo to raise a chargeback where there is a reasonable prospect it would be successful. And as there's no dispute Mr S authorised the payment in dispute, the only relevant chargeback grounds would be the allegation that services were not provided.

It's clear that T isn't a genuine travel agency. As well as the incorrect information it provided to Mr S, the tactic of attempting to take another payment under the guise of providing a refund is a well-known tactic used by fraudsters and not something that a genuine travel agency would do.

It reasonably follows that they set out to scam Mr S and are unlikely to have had any intention of actually providing tickets. In my experience, the way that this scam works is that the fraudster uses the victim's card details to make a purchase (often of airline tickets) for someone other than the victim. The fraudster then presumably obtains benefit by either making use of the ticket themselves or, more likely, selling the ticket to a third party. The fraudster therefore only receives benefit from the scam if services are provided – this is the entire purpose of the scam.

So, while I agree with Mr S that Monzo has made an assumption that services were provided to a third party and therefore a chargeback would be unsuccessful, I think that was a reasonably held assumption and one that I think is very likely to be correct in the circumstances. It follows that I don't think Monzo acted unreasonably by not raising a chargeback.

I can understand why that's frustrating for Mr S – it deprives him of the certainty of knowing whether B provided the services or not. But it's now far too late to raise a chargeback and I can't uphold his complaint just because there's a very small chance that a chargeback would have been successful – I need to find that it had, at least, a reasonable prospect of success. I haven't found that, so I don't uphold this complaint.

So, while I know this will be disappointing for Mr S, I don't find that Monzo are responsible for his loss.

### **My final decision**

For the reasons I've explained, I do not 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 20 October 2025.

Rich Drury  
**Ombudsman**