

## **The complaint**

Miss S complains Monzo Bank Ltd won't refund transactions made from her account which she says she didn't make or authorise.

## **What happened**

On 19 March 2025, four transactions were made from Miss S' account totalling £1,580. Miss S reported them to Monzo as fraudulent the same day.

Monzo looked into the transactions but didn't think it needed to refund them. Monzo said Miss S' card and Personal Identification Number ('PIN') had been used. Following a complaint, Monzo still refused to refund them. So Miss S referred her complaint to our service.

An Investigator considered the circumstances. She said, in summary, while Miss S' explanation of having lost her card and being observed entering her PIN were a possibility, considering the other evidence – including the change in Miss S' use of her account shortly before the disputed activity - she wasn't satisfied the transactions were unauthorised. So she didn't think Monzo needed to refund them.

Miss S didn't accept the Investigator's findings. She maintained she hadn't authorised the transactions. She said the large balance on the day of the transactions was because she intended to pay a family member for household goods and she started making transactions using her PIN, because her contactless stopped working. Miss S said she couldn't provide any evidence of the transfer to a family member as this was all done in person, and she hadn't had time to request a new card from Monzo after the contactless feature stopped working.

As Miss S didn't agree, the complaint's been passed to me.

## **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.

Under the Payment Services Regulations 2017, generally, Monzo can hold Miss S liable for the disputed transactions if the evidence suggests that she made or authorised the transactions.

Monzo has provided evidence that all four of the disputed transactions were made using Miss S' genuine card and PIN. Two transactions were cash withdrawals, and two payments were made in a high street bookmaker. The transactions were made at 1.26pm, 1.28pm, 1.44pm and 1.47pm on 19 March 2025. Miss S doesn't dispute that her genuine card was used since she's told us she believes she lost the card shortly before the disputed transactions were made.

Miss S has told us she made two transactions herself in a café and a shop at 12.39pm and 12.43pm on 19 March 2025. She then went to work and realised at about 4pm the transactions had taken place and she'd lost her card. Miss S says no one knows her PIN and it isn't written down anywhere. She suspects she was observed entering her PIN at the shops she'd been in earlier that day.

The last undisputed use of Miss S' card and PIN was at 12.43pm on 19 March 2025. The disputed transactions were made in locations about a ten-minute drive from where Miss S had last used her card. But there were cash machines and bookmakers within a few minutes' walk of where Miss S last had her card. I accept that it's possible Miss S was observed entering her PIN at either the café or the shop. But I don't find it likely that an unknown third party who happened to observe Miss S entering her PIN, before then seeing her drop her card and taking it, would travel to another location to make the transactions – even if it was only a short drive. If someone had obtained Miss S' card for the purposes of stealing money, I would expect them to make transactions as quickly as possible, since they'd have no way of knowing when the card would be discovered missing and blocked.

There are two initial attempts to use the card where the PIN was incorrect. This suggests that the third party in possession of Miss S' card didn't see the whole PIN. But they then go on to enter it correctly at the third attempt. I find it unlikely that someone who'd observed Miss S entering the PIN would get it wrong twice but then guess correctly on the third – and final before the card would have been blocked – attempt.

On 17 March 2025, two payments credited Miss S' account of £460.29 and £800. Miss S transfers this out to a pot and then back into the main account on 18 March 2025. And on the 18 March 2025, a further £220 is paid into Miss S' account. These payments all appear to come from other accounts in Miss S' name and Miss S then leaves the full amount in the main account.

This is unusual for Miss S. Having reviewed her account statements, prior to this she would usually only have a small balance in the main account and transfer in specific amounts to cover transactions she then makes. Miss S has explained the reason for leaving the large balance in the main account on this occasion was because she was expecting to have to transfer it to a family member for household goods. She said she was awaiting confirmation from the family member before transferring the money on. But Miss S hasn't been able to provide anything further to substantiate this. And, in any event, I'm not persuaded that this would mean Miss S couldn't have kept the money in her pot, as she usually would and then move it to the main account before transferring on. I find it particularly strange Miss S happened to lose her card on the only day in the recent history of her account where it had a substantial balance.

In addition to this, between October 2024 and February 2025 Miss S used contactless almost exclusively when making in-person transactions. On about 25 February 2025, it appears she switches to making card and PIN transactions. Miss S has explained that her contactless feature stopped working around this time and she hadn't had time to request a new card from Monzo by the time the disputed transactions happened. But there are two contactless payments that take place on 6 and 16 March 2025. Although Miss S hasn't been specific about when her contactless stopped working, I don't find it likely this was the sole reason for Miss S switching to making card and PIN transactions in February when the contactless payment feature was still working in March.

Based on everything I've seen, I'm not persuaded the transactions could have been made without Miss S' involvement in the circumstances she's described. So I don't find Monzo needs to refund them.

Miss S was also unhappy that Monzo decided to close her account. The terms and conditions set out the circumstances in which it can do this, and I'm satisfied Monzo was entitled to close Miss S' account in the circumstances of her complaint. Monzo doesn't have to provide a reason for its decision.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 28 October 2025.

Eleanor Rippengale  
**Ombudsman**