

The complaint

Mr T complained because Monzo Bank Ltd refused to refund him for payments to a bar abroad, which he said he didn't authorise.

What happened

On 27 March 2025, Mr T was on holiday abroad, and went to a bar. Starting at 21.59, there was a series of payments and declined payments from his Monzo account, which were all made to the bar using Apple Pay. These were for:

£10.05 at 21.59

£100.50 at 22.14

£341.50 at 22.32

£522.40 at 22.54 – this was declined and didn't go through

There was then a £300 credit to Mr T's Monzo account at 22.58

£341.70 at 22.59

£198.79 at 23.28 – this was declined and didn't go through.

On 29 March, Mr T contacted Monzo. He said he'd made the first two payments, but not the £341.50 or £341.70 payments. He also disputed the declined payments.

Mr T told Monzo that he still had his phone on which the payments had been authorised, and it was protected by Face ID and a password. However, it had been out of his possession between about 10pm and 1am on the evening of the disputed transactions, on a table at the bar. He said bar staff had asked for his phone so they could leave an online review. He said the person to whom he gave his phone, unlocked, was to the side of him, while he was talking to a friend on his other side. He said the bar staff also took photos of him at some point, but when he got his phone back he couldn't see any photos. He told Monzo he hadn't written down his password / PIN.

At the end of Mr T's evening, he had to pay for other drinks he'd had while there, but it was declined on his Monzo account (shown on the list above). He had to use a card he had with a different bank to pay that. Mr T has a separate complaint with the other bank, as he said the bar overcharged him, but that doesn't form part of this complaint against Monzo.

Monzo refused to refund Mr T. Mr T was very unhappy with Monzo's customer service. He said that since he made the complaint, he'd been told he'd have a call back within one to three days, which hadn't happened. The fraud team had also told him it had made a full investigation, which he disputed when Monzo had rejected his claim within an hour. He said that he was told the matter would be reopened and reviewed, which it wasn't, and he kept being promised a call back which didn't happen, and Monzo then closed the complaint. Mr T also said the complaint handler hung up on him.

Monzo issued its final response to Mr T's complaint on 15 April. It said its fraud team had conducted its investigation in line with regulatory procedures and had provided the outcome. This was that the fraud team believed Mr T hadn't taken enough care with his PIN, card, or device. Monzo refused to change this decision.

In relation to the customer service parts of Mr T's complaint, Monzo said that it had completed the call back on 29 March, when Mr T reported the problem, within the correct timescales. It said the three day timescale was for Monzo to issue an acknowledgement, not to complete the callback. However it said that when Mr T again requested a callback on 4 April, that hadn't happened. Monzo said it would credit Mr T's account with £25.

Mr T wasn't satisfied and contacted this service.

Our investigator didn't uphold Mr T's complaint. She said that the person at the bar to whom Mr T had given his unlocked phone, would also have needed Face ID or the phone's password to use Apple Pay to make the transactions. She considered what Mr T had said about photos being taken of him, but said that it's not possible for a photo to be used to bypass Face ID. And if the person had been pretending to take a front camera photo, but actually was taking a photo for Face ID, Mr T would have known it wasn't a photo being taken, as he'd have seen his card information on the screen.

The investigator also considered whether the Apple Pay transactions were authenticated using the password. But Mr T had said he hadn't given anyone this. The investigator also pointed out that the phone would have had to be in close contact with a card terminal to make the disputed payments. And if Mr T had seen the bar staff going over to a card terminal, he'd have noticed and been concerned. The investigator also noted the £300 credit into Mr T's account just four minutes after the declined £522.40 transaction, and a minute before the £341.70 disputed transaction. She concluded it was more likely than not that Mr T had authorised the disputed transactions.

Mr T replied that the outcome wasn't what he wanted, and he still said he didn't authorise the transactions, but he understood the decision. However, he remained unhappy with Monzo's customer service, saying that several calls had been arranged and hadn't happened. He said he'd just had a call from Monzo admitting its customer service hadn't been good enough, and it had been struggling with staffing issues at the time. He asked for the whole complaint to be reviewed, especially the customer service. He said there had been three calls from the fraud team which hadn't been made, two customer service calls, and a call from the disputes team, none of which had happened. He said he'd chased Monzo by support and by phone, and his last outbound call resulted in being put on hold then disconnected.

Our investigator contacted Monzo about this. Monzo then revised its offer of compensation from £25 to £50 for the customer service issues. The investigator also asked Monzo whether, as Mr T had suggested, it could log a "*goods not received*" dispute with the merchant. Monzo replied that Mr T could do this himself using the app – but it pointed out that without more evidence from Mr T, it wasn't likely this would be successful. The investigator passed this information on to Mr T, for him to decide whether he wished to raise this type of dispute using the app, given what Monzo had said about more evidence being needed.

Mr T still thought £50 compensation was too low for Monzo's customer service. He asked for an ombudsman's decision, both about the disputed transactions and the associated customer service.

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've looked first at the disputed transactions, which is the major issue in Mr T's complaint.

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. The regulations also say that account holders can still be liable for unauthorised payments under certain circumstances – for example if they've failed to keep their details secure to such an extent that it can be termed "*gross negligence*."

So I've considered whether it's more likely than not that a third party fraudster, or Mr T, authorised the disputed transactions on 27 March.

I've looked first at how any third party fraudster might have obtained access to Mr T's phone and to his Monzo account on which Apple Pay was set up. Mr T said he gave his unlocked phone to the bar staff. But as the investigator explained to Mr T, any such person to whom he'd given his unlocked phone, would also have needed Face ID or the phone's password to use Apple Pay to make the transactions. I also agree with what the investigator said about the fact that a photo can't be used to bypass Face ID, and that Mr T would have noticed if the bar person had been trying to take a Face ID photo, or had taken the phone over to a card payment terminal. Mr T also told Monzo he hadn't written down his password.

Going on the circumstances, I've listed the transactions above, including disputed and not disputed, and those that went through and those that didn't. The first two, for £10.05 and £100.50, aren't disputed. There's then the first disputed one, for £341.50. After that, Mr T's remaining balance was too low for the £522.40 payment to go through. Nor could the next disputed payment, for £341.70, have gone through without the £300 credit from Mr T's current account with another bank, which went through just four minutes after the rejected £522.40, and just one minute before the disputed £341.70 payment. Mr T's evidence is that the £300 credit was his holiday money. I consider it's most likely that Mr T sent his credit at that time in order to enable the £341.70 transaction to go through.

I find it's unlikely that an unauthorised third party made the first disputed payment for £341.50, then the £522.40 payment was rejected so they then handed the phone back to Mr T. It's also unlikely that within four minutes, Mr T then sent money from his current account to his Monzo account, and the fraudster then, within one minute, obtained the phone again and made the second disputed payment for £341.75. I consider it's much more likely that Mr T authorised the disputed payments. This means that he is liable for them, and Monzo doesn't have to refund him.

I've also considered the customer service which Monzo provided to Mr T. I can see that he asked many times for a call back, which didn't happen. I consider that the £50 which Monzo offered, after our investigator's intervention, is fair and reasonable in all the circumstances of this complaint.

So my conclusion is that I consider it's most likely that Mr T carried out the disputed transactions himself. I consider Monzo's revised compensation offer for customer service is fair and reasonable.

My final decision

My final decision is that:

- I do not uphold Mr T's complaint about the disputed transactions on 27 March 2025;
- I consider Monzo's revised £50 compensation offer for customer service is fair and reasonable. I have no evidence about whether or not Monzo has paid Mr T the £25 it

initially offered him. If Mr T wishes to accept the revised total of £50 compensation for customer service issues, he should contact Monzo, for payment of whatever part of the £50 Monzo has not yet paid to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 August 2025.

Belinda Knight
Ombudsman