

The complaint

Miss C complains that Monzo Bank Ltd (“Monzo”) failed to refund transactions she didn’t recognise and unfairly closed her account.

What happened

What Miss C says

Miss C explained that Monzo closed her account. Miss C also said she’d suffered fraud on an account held at another bank who I’ll refer to as L.

Miss C said she’d had over £4,000 taken from her Monzo account which was sent to two other accounts. She didn’t know who the account holders were. Miss C said one of these accounts was also present on her other account held with L and that L had refunded money to her.

Monzo asked Miss C about her account and how she used it. She confirmed she’d changed her registered device in October the previous year and no one else had access to it or her Monzo account. Miss C confirmed she still had possession of her phone.

Miss C wanted Monzo to refund the money she lost from the account, but Monzo declined. They advised Miss C that they couldn’t treat the matter as fraud.

Miss C complained to Monzo about their treatment and decision to deny her a refund. Miss C told Monzo the issue had impacted her mental health.

What Monzo say

Monzo identified activity on Miss C’s account which they thought was suspicious, including other card payments related to the account/email. They asked Miss C about some payments she’d received into her account (which Miss C later denied knowing about). There was no response from Miss C at the time. Monzo decided they no longer wished to offer their banking service to Miss C and issued an immediate account closure. The same day as the account closure, Miss C told Monzo to send her remaining funds to an alternative account.

Miss C thought the remaining funds should be much greater than she received and got in touch with Monzo. They looked into the transactions disputed by Miss C and identified that those outgoing payments had been made by the one device registered to use Miss C’s account.

Monzo asked Miss C if she’d been asked or persuaded to send money by anyone else. She confirmed she hadn’t and that she didn’t recognise the accounts her funds had been sent to.

Miss C confirmed she’d sent payments into her Monzo account from her account held with L, but hadn’t sent them on to anyone else as she was moving funds into Monzo so she could apply them to different “pots”.

The investigation so far

After Monzo declined Miss C's refund, she made a complaint which Monzo also declined. Miss C then brought her complaint to the Financial Ombudsman Service for an independent review.

An investigator looked into what had happened and asked the parties for information about the situation.

Miss C reiterated she hadn't made the transactions from her Monzo account.

Monzo provided audit details from Miss C's account showing her registered device was used to make the outgoing payments after they were received into the account from Miss C's account with L.

The following is a table of relevant transactions to help explain the movements of funds:

Date and Time (2024)	From Account	To Account	Amount (£)
2 March 21:26hrs	L	O	497.58 returned by beneficiary bank
3 March 12:57hrs	L	M	202.85
3 March 13:01hrs	L	M	295.74
3 March 14:51hrs	M	O	497.00 returned by beneficiary bank
3 March 15:16hrs	M	K	498
4 March 00:05hrs	L	M	500
4 March 00:15hrs	M	K	500
4 March 18:15hrs	M	K	150
4 March 20:27hrs	M	K	408
5 March 00:14hrs	L	M	500
5 march 00:19hrs	L	M	150
5 March 00:42hrs	L	M	298
5 March 09:13hrs	M	K	948
5 March 14:08hrs	L	M	500
5 March 14:09hrs	M	K	500
5 March 15:01hrs	L	M	763
5 March 15:04hrs	M	K	763
5 March 15:11hrs	L	M	347

5 March 15:15hrs	M	K	347
5 March 17:08hrs	G	M	100
5 March 17:09hrs	G	M	120

Account key:

L – Miss C's bank

M – Miss C's Monzo account

O = Unknown account holder 1

K = Unknown account holder 2

G = Unknown account holder 3

L were also contacted to provide information about the account. They initially provided details of the account's app activity and statements. They were later asked to provide copies of call recordings with Miss C.

After reviewing the evidence, the investigator concluded that Monzo had acted fairly, and it was likely that Miss C had made the transactions herself. It was commented that Miss C's account only had one device activated on it which was used throughout the transactions made from her account. Also, that the outgoing transactions were funded by incoming payments made by Miss C and the payments were made over several days, not usually in line of an opportunistic fraudster who would usually empty the account as quickly as possible.

Miss C disagreed with the investigator's conclusions and continued to deny having anything to do with the outgoing payments. As no agreement could be reached, the complaint has now been passed to me for a decision.

As part of my own investigation, I wanted to better understand the situation. That's because the evidence pointed to Miss C's own involvement with the payments based on the available evidence. But, I also thought that there were likely other parties involved, so I asked Miss C to confirm if she'd been asked to make payments for any reason. She confirmed she had not been asked or persuaded to make the payments.

Miss C, via her representative's provided an analysis of IP data, arguing that Miss C was elsewhere at the time of the payments made from her account. Miss C argued that her account had been hacked, as was her account held with L.

I asked L to provided additional data concerning the issue Miss C had with her account held with them. That information indicated they had some unusual activity on Miss C's account, including an attempt to send money to O's account. As a result, they asked Miss C to attend a branch.

I listened to the calls held between L and Miss C where she was asked to log on to her mobile banking app as an additional security step. This was successful and over a couple of conversations, Miss C named both accounts (O and K) that she was trying to send money to. She was asked about the payments and whether she was asked to lie to the bank by

anyone. Miss C denied this and confirmed the payments were from money owed by her.

I asked Miss C about these calls because she'd previously denied knowing the account holders who received her funds. In response, Miss C denied it was her on the calls.

I was sorry to hear of the additional problems facing Miss C, so I wrote to both her and her representative to advise them I was going to issue a provisional decision setting out my thoughts which would give them the opportunity to respond.

I issued my provisional findings on the merits of Miss C's complaint on 6 May 2025. In my provisional findings, I explained why I didn't intend to uphold Miss C's complaint and offered both sides the opportunity to submit further evidence or arguments in response. An extract of that decision is set out below and forms part of this final decision:

"What I've provisionally 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.

The relevant law surrounding authorisations are the Payment Service Regulations 2017. The basic position is that Monzo can hold Miss C liable for the disputed payments if the evidence suggests that it's more likely than not that she made them or authorised them, but Monzo cannot say that the use of the card mobile banking app conclusively proves that the payments were authorised.

Unless Monzo can show that consent has been given, it has no authority to make the payment or to debit Miss C's account and any such transaction must be regarded as unauthorised. To start with, I've seen the bank's technical evidence for the disputed transactions. It shows that the transactions were authenticated using the payment tools issued to Miss C.

It's not my role to say exactly what happened, but to decide whether Monzo can reasonably hold Miss C liable for these transactions or not. In doing so, I'll be considering what is most likely on a balance of probabilities.

From the very first time I read the submissions concerning this complaint, I've thought that other parties were involved. That's why I've made several enquiries with Miss C about this and whether she was somehow persuaded to make these payments. She's been consistent in her responses that no one else asked her to make any payments, she didn't know who the other account holders were and she knew nothing about the outgoing payments until Monzo closed her account. So, I've looked at this complaint based on that position taken by Miss C - which is that the payments were unauthorised.

The evidence provided by Monzo shows a different picture. Their audit data identified only one device registered to Miss C that was used throughout the time the account was used to send payments to the other accounts. That in itself is persuasive given that no one else had access to it or knew the various security details to use the phone and gain access to the Monzo app. If it was someone else, how could they have obtained access to Miss C's device without her knowledge?

There's been some discussion about the IP address data which Miss C says proves she was elsewhere when the transactions were made. IP address information can show locations related to the use of the device/the provider of data services. It's the case that the IP data can show different locations depending on various factors, so it's not always straight forwards to simply rely on the information returned from checks on the data. For example,

some of the IP addresses return a Scandinavian location which I doubt is a true reflection of where the phone was at that point. Having looked at the available data, I haven't seen anything that would persuade me the location data overrode the other evidence in this case.

Miss C confirmed she made the transactions from her account with L which (as can be seen above) took place over several days. I think the difficulties faced by Miss C at the time with the payments (she experienced a number of blockages) was based on certain restrictions applied to the particular account she had at the time. That also explains why smaller amounts were used to send those payments. But, what is relevant here is that the outbound payments were funded from the incoming transactions. Miss C says she didn't look at her Monzo account – but the evidence provided by Monzo shows only her device using the account, so I'm doubtful that Miss C was unaware of those outgoing payments.

Having listened to the calls Miss C had with L (which she now denies), it's apparent the caller knew about the visit to the branch and what had happened on the account. The caller was questioned at length about the payments made to both O and K. The caller used their names in the conversation and L asked the caller to login to the account using the registered device (which also showed Miss C's mobile number attached to the audit data). I don't think it's plausible to believe that an unidentified third party was able to obtain her phone, gather information about branch visits and then impersonate Miss C in several conversations with L. I think it's reasonable to conclude that the person on the phone was Miss C.

Based on this, Miss C's testimony that she was unaware of the account holders is brought into question because they were named and stories given about why the payments were being made (to repay a cash loan and pay for some trainers). Those same account holders (O and K) were then sent funds from the Monzo account.

In respect of the question of authorisation, I think it's implausible to suggest the transactions disputed by Miss C were carried out without her knowledge or permission. My current thoughts relating to this are that it's more likely than not that Miss C was responsible for these payments, and it was both fair and reasonable for Monzo to hold her liable.

Account Closure

Monzo wrote to Miss C about the transactions after identifying some suspicious activity on the account. In particular the two payments from G which used the Monzo.Me process to receive funds. Miss C then attempted to send them to K's account (which was blocked by Monzo), so they wanted to understand the reason for the payments.

Monzo didn't receive any response from Miss C and wrote to her the same day to advise her they were closing her account and would transfer any remaining funds to her.

Monzo received a response from Miss C a short while later providing account details for the outstanding balance to be sent to. Those details were her account held with L. Monzo then sent the balance to that account. The balance (£220.59) was made up of the incoming payments from G (apart from 59 pence).

I was a little confused about this as Monzo have argued that those payments themselves were suspicious, so why would Monzo then send the payments back to Miss C?

Miss C later said she never responded to Monzo because she couldn't get through to them for several days after this event. Again, Monzo's evidence appears to contradict that – why would they receive Miss C's account details to send the balance if it wasn't her? I noted from the statements held with L that the £220.59 was incorporated in the account and subsequently spent by Miss C.

In respect of the account closure, I think Monzo had enough evidence to be concerned about how the account operated (particularly the attempt to send G's funds to K), but they then appear to have transferred those funds that they deemed were suspicious back to Miss C. These actions seem in contradiction to each other. I also haven't seen any evidence that G reported the transaction as suspicious.

Given that the account had already been blocked, was already effectively emptied and the balance sent to Miss C, I don't think the immediate account closure impacted Miss C's ability to bank as she had another account with L. I recognise that Miss C denies anything to do with the payments, but overall I don't think Monzo acted unfairly when they severed their relationship with Miss C.

My provisional decision

I'm currently intending not to uphold this complaint.

I invited Miss C and Monzo to give me any more evidence and information they wanted me to consider before issuing my final decision. Monzo didn't respond and Miss C, via her rep disagreed with my provisional decision. Miss C continued to argue the account closure was unfair, that she hadn't checked her account with Monzo, so was unaware of the activity on it. She commented that she wasn't able to provide more proof it wasn't her using the account.

Further that information about the recipient accounts was questioned and she asked why she would send nearly £4,000 to these people. Further that they'd *"....categorically proven that this subject was about a purchase that was not made for Miss C."* This was in respect of calls provided by L.

Miss C's rep said that the issue had caused further damage to Miss C's mental health and she believed the account had been hacked. Miss C's rep didn't believe their evidence had been taken into account.

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, and as neither party had anything further to add that would change my provisional decision, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

In respect of the further comments, I was again sorry to hear of the continued difficulties faced by Miss C. I recognise that Miss C and her rep disagree with my assessment of her complaint, but I'd just like to confirm that all the evidence in this case has been reviewed and taken into account.

I also read Miss C's comment about the phone call held with L. Whilst I acknowledge the comment, I haven't seen any evidence to support the assertion. Nor have I seen anything that would persuade me the calls were made without Miss C's involvement.

I've already considered the issue of the account closure in the provisional decision, and whilst Monzo's approach was contradictory in respect of allowing some of the funds to be retained in the account, I don't think overall the closure was unfair.

Overall here I don't think the evidence points to an unidentified third-party gaining access to Miss C's Monzo (and L) account to carry out these transactions. So, on balance, I don't think that it would be fair to require Monzo to refund those payments that Miss C disputed.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 24 July 2025.

David Perry
Ombudsman