

The complaint

Mr M complains that Monzo Bank Ltd has declined to reimburse payments he says he didn't make or allow anyone else to make.

What happened

As both parties are familiar with the facts of this case, I'll summarise them briefly.

Mr M says that he lost his phone on 10 July 2024 and realised this the next day. He managed to locate his phone and with support from his friends retrieved it on 12 July 2024 from a shop that repaired phones. Mr M is disputing payments made using his phone while it was out of his possession – these were a mixture of payments to an investment platform ("V"), a cryptocurrency platform ("C"), and some smaller in person Apple Pay purchases.

Monzo declined to provide a refund on the basis that it didn't think the evidence supported Mr M's version of events – it concluded the payments were authorised.

When Mr M referred his complaint to our service, the investigator didn't uphold it. In summary they concluded that Monzo had acted fairly in treating the payments as authorised.

Mr M didn't agree, he reiterated what had happened and highlighted the different locations of the disputed payments compared to genuine payments. He listed laws, regulations, and reimbursement schemes that he thought were relevant and said Monzo should have done more to protect him. Mr M said he'd never used V and that he'd thought the previous payments to it were going to Monzo.

The investigator clarified that the reimbursement schemes Mr M had raised weren't relevant to the disputed payments and that it would have been possible for someone to travel between the locations Mr M highlighted in time.

As an agreement couldn't be reached, the matter was passed to me for consideration by an ombudsman. I issued my provisional decision on 4 June 2025 explaining why I didn't intend on upholding the complaint.

While Mr M didn't accept my provisional decision, he has confirmed he has no further comments for my consideration. Monzo confirmed it accepted my provisional 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 have received no further information or evidence in response to my provisional decision and so my findings are the same. I'm not upholding this complaint for the following reasons.

Mr M says that his phone was lost or taken and is disputing payments made using it between the 10 and 12 July 2024 as unauthorised. The Payment Services Regulations 2017 (PSRs) are relevant here and in simple terms the starting point is that Mr M is liable for

authorised payments, and subject to certain exceptions, Monzo is liable for unauthorised payments.

So, I'll first address whether Monzo has acted fairly in holding Mr M liable on the basis that the payments were authorised. As Monzo has shown the disputed payments were correctly authenticated, the issue here is whether Mr M (or someone acting on his behalf) consented to the payments.

Where evidence is missing, incomplete, or contradictory, I need to determine what I think is more likely than not to have happened. I do this by weighing up the evidence provided and making a finding on the balance of probabilities.

Some payments were made from Mr M's account with another banking provider (S) to his Monzo account during the time Mr M says his phone was missing. He says he didn't make these payments either. As part of our services' investigation of this complaint, information has been gathered from S. We have also obtained information from V and C, which I have considered alongside the information provided by Mr M and Monzo.

Having considered everything provided, I'm persuaded that it is fair for Monzo to have treated the disputed payments as authorised for the following reasons:

- The technical evidence provided by Monzo and S doesn't support the narrative that a third party made the payments without Mr M's involvement.
 - Payments were made from Mr M's account with S during the time Mr M says his phone was out of his possession. S has told us that biometrics were successfully used to log into Mr M's account with it to make the payments to Mr M's Monzo account. I understand biometrics can be changed, but S says it would detect it if Mr M's biometrics had been updated before the attempt to use them. And that this would prompt its banking app to require a passcode be used, which S says its records show didn't happen.
 - While Mr M says he had stored all of his passcodes in his "notes" app. Monzo says that biometrics were also used on 11 July to take out the overdraft on Mr M's Monzo account. The evidence referred to above from S indicates that Mr M's biometrics hadn't been updated on the phone.
 - I appreciate Mr M says his phone was returned with no biometrics or passcode on, but if this was the case, they would have been removed after the disputed activity – it isn't clear why a third party would do this.
 - The IP address used for some of the disputed payments from Mr M's Monzo account matches the IP address used for an undisputed payment made when Mr M accepts his phone was in his possession. I understand Mr M says he uses a VPN which may explain this, but in the context of the above information, it adds to my concern.
- There are inconsistencies in Mr M's testimony which affect how much I can reasonably rely on what he's told us, and how likely it is that the disputed payments are unauthorised:
 - Some of the disputed payments went to V, an investment platform. Mr M says he doesn't use V, but his account history with Monzo shows multiple payments have been made from his account to V since October 2023.

- Mr M told Monzo that he thought these payments were going to the government, he's also said separately that he thought he was paying Monzo.
- Mr M has provided us with an email from early October 2023 with Monzo's branding – this says it has closed and defaulted his account and that he owes it £1,365.50. Mr M says after receiving this email he agreed to pay Monzo £300 in instalments.
- Looking at the payments to V (before Mr M says his phone went missing), I note that the amounts and frequency of payments vary significantly. Around £2,000 was sent to V in November 2023 and over £1,000 in December 2023. This is more than the email Mr M has provided says he needed to pay. Mr M says he didn't notice them all as he doesn't really use his Monzo account – I don't find this likely as Mr M's account activity indicates that he made payments into his Monzo account to offset this expenditure. Mr M would also have been able to see who was being paid and that his account with Monzo hadn't defaulted or closed. He hasn't explained where he thought this debt of £1,365.50 had come from if he did believe the email.
- I acknowledge that Mr M may have fallen victim to a scam, and the email provided may well be a phishing email – but I'm not persuaded this explains why he's told our service and Monzo that he had never paid V. Mr M says his loss is in the region of £7,000 but this appears to include payments to V from before he says he lost his phone. And from what he's told us these are not connected to the payments Mr M is disputing. Those payments were not included in Mr M's fraud claim or complaint to Monzo and appear to relate to a separate event. If Mr M has fallen victim to a scam and made payments to V in relation to this, he should raise that with Monzo separately. I am only considering here the payments Mr M says were unauthorised between 10 and 12 July 2024.
- Some of the disputed payments went to C, a cryptocurrency platform. Mr M says he's never used this platform before, but the provider has confirmed to our service that Mr M had an existing account with it since September 2023. And that when this account was opened Mr M's identification, and a selfie were required to verify him. I understand Mr M says he doesn't have this app, and that he had identification on his phone. But I don't think this explains how or why he had an account with C months before his phone went missing or helps to demonstrate that the payments he's disputing weren't made with his consent.
- Mr M says that S blocked Apple Pay payments from his account. S has told us there were no Apple Pay payments from his account in the relevant time period when Mr M's phone was out of his possession, only faster payments. And that there has been no fraud case raised with it about these.
- Mr M has provided evidence that he made a payment in a different area than the disputed payments on the same day. But this doesn't show that the same person couldn't have made all of the payments as the time between the payments is longer than it would take to travel between these locations. I appreciate that would involve travelling that appears unusual on the face of it, but I don't find it persuasive evidence that Mr M couldn't have consented to the disputed payments. I note that it's also possible some or all of the payments were made on his behalf with his consent.
- Mr M says he didn't realise his phone was missing until 11 July 2024. He's shown us

he logged into his iCloud – which appears to be when he checked the location of his phone using the “Find my iPhone” functionality provided by Apple. This was at 10:53pm on 11 July 2024 and 2:00pm on 12 July 2024. It’s not clear why he waited several hours to check this, and he hasn’t provided evidence of informing the police once he was aware of its location.

- Mr M says that on 12 July 2024 he followed his phone’s location to a shop that repaired phones and confronted the shopkeeper. Eventually his phone was returned to him. If Mr M’s phone was stolen and used to undertake fraudulent activity, I would expect that someone working in phone repairs (and therefore with a higher than average knowledge of phones) would have taken steps to prevent the owner or the police from locating it. If they had turned off the phone’s GPS this would have affected the “Find my iPhone” functionality. I also note that Mr M can’t now recall where this shop was and hasn’t provided evidence to support that he reported these details to the police.
- Our service is an informal one, and so I won’t be setting out in detail how all of the different laws and regulations Mr M has referenced do or don’t apply to this case. I’ve considered them and referenced what I think is particularly relevant in reaching my provisional decision. I agree that the schemes Mr M has referenced don’t apply to this dispute.

For the reasons I’ve explained, I think Monzo has acted fairly in concluding that the payments are authorised.

I understand Mr M says that Monzo should have done more to identify the payments as suspicious and to protect him. Given the concerns I’ve set out above around the inconsistencies in what Mr M has told us with the available evidence, I don’t appear to have the full picture about how the events unfolded. With this in mind, I don’t think it would be fair or reasonable to conclude that had Monzo done more to intervene, this would likely have prevented the payments.

I’m sorry to hear about the impact Mr M has described the disputed payments having on his mental health and financial stability. We are an impartial service, and it wouldn’t be fair for me to make an award in the event that I didn’t think Monzo had done anything wrong that caused a loss to Mr M.

I recognise that Mr M is unhappy with the service he received from Monzo in relation to his claim. I can see that Monzo did explain it was declining Mr M’s fraud claim and the majority of ongoing correspondence was related to him being unhappy with this decision. The impact that Mr M has described this having on him is fundamentally about the impact of being without his funds. As I don’t think Monzo has acted unfairly in declining to reimburse Mr M, it isn’t responsible for the impact this has had on him. So, it wouldn’t be appropriate for me to make an award in the circumstances.

My final decision

For the reasons explained, my final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 25 July 2025.

Stephanie Mitchell

Ombudsman