

The complaint

Mr A has complained about how Monzo Bank Ltd (Monzo) has handled a refund claim he made to them.

What happened

Mr A purchased a car from a supplier I shall call 'D' in January 2025 using his Monzo debit card to the sum of £6,800. However he says he subsequently discovered faults with the car and asked D for either a repair or a full refund.

Mr A says D were unable to help and he therefore contacted Monzo to raise a chargeback claim against D.

Monzo considered the claim but concluded that insufficient evidence had been submitted by Mr A for them to progress the claim further with a prospect of success. Mr A didn't agree and subsequently raised a complaint about Monzo's handling of his claim.

Monzo issued their final response letter (FRL) on 20 March 2025 confirming their position and reiterating that additional information was needed to progress his chargeback claim further.

Mr A didn't agree that Monzo had looked at his claim fairly and referred his complaint to our service. Our investigator reviewed his complaint and reached the same conclusions as Monzo. They said Mr A hadn't provided sufficient evidence for Monzo to reasonably progress the claim.

As Mr A didn't agree, he asked for an ombudsman to issue a final decision on the matter.

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 read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Monzo aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr A paid for this transaction using a Monzo debit card, a chargeback claim could possibly help him. So in deciding what is fair and reasonable I've focussed on this

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case Mastercard). I've considered the relevant chargeback rules in deciding whether Monzo acted fairly.

The relevant chargeback code here would be 'Goods or Services Were Either Not as Described or Defective'. I've therefore considered the evidence available with regard to this chargeback rule and whether Monzo acted fairly when they declined to progress Mr A's claim.

Did Monzo act reasonably in declining the chargeback claim?

There are a number of requirements under Mastercard rules which need to be satisfied under this chargeback code for a claim to be progressed. This includes evidence to show that the consumer contacted the merchant to resolve the dispute and in turn the merchant declined to repair or refund the goods. The consumer would also need to provide evidence that they made the goods available for pickup as well.

In addition there would need to be sufficient supporting evidence regarding the validity of the dispute.

I've reviewed the evidence supplied by Mr A and they are as follows:

- Screenshots of interactions with the merchant via a chat application.
- Invoice of purchase confirming that the vehicle was registered in June 2017 and so was seven and a half years at the time of purchase at the start of January 2025. It had significant mileage at the time of 121,045 miles as well.

The only details of the issues with the car are shown in the chat messages. An initial message shows Mr A was happy with the car after purchase although he said there were a few small problems such as the tyre pressure message appearing. However he later lists the issues that emerged in a few brief sentences (shown as written):

- *The warning comes every time*
- *Stop/start not working*
- *When I start makes so much noise*
- *Gear not smooth*
- *Break its not good*

The message concludes by saying that the car was purchased for family use, he has young children and as he can't use the car he'd like a refund. I've not seen any further information or details regarding the faults with the car, nor D's responses to Mr A's communications.

Monzo in their FRL to Mr A thanked him for his initial submissions but explained they wouldn't be able to progress the claim without strong evidence. They said they needed more on the faults with the car and a third party report to show D hadn't remedied these issues.

They also asked for all written correspondence as only parts of the chat message conversation were provided. They said there wasn't sufficient evidence to show the vehicle was made available for return and D declined to accept this.

When considering Mr A's complaint about Monzo's administration of the claim, I have to keep in mind whether Monzo acted fairly in not progressing the claim with mind to the evidence available and the chargeback rules.

In this case Mr A's screenshots of his communications with D were limited and didn't show what outcome was reached and if the vehicle was made available for collection. In addition there is limited information on the faults with the vehicle itself beyond the brief description outlined in the chat screenshots.

Keeping in mind the age and substantial mileage of the used car which meant it already had substantial wear and tear, it would be necessary to evidence the faults in more detail beyond this minimal description. While the warning light not coming on and the start/stop feature not working suggests car faults, the comments on the car being noisy, the gear not being smooth and the braking 'not being good' doesn't provide much more information on whether these are tied to any actual car issues.

Monzo in their FRL did say a third party report would be needed to show the issues and the fact that D hadn't remedied these for Mr A. While a third party report isn't strictly necessary, it is helpful to support a complaint where goods are considered faulty.

It's important to note that Monzo doesn't decide who wins or loses a chargeback. However Monzo could've taken the chargeback further and potentially pushed it to arbitration by the card scheme.

However, looking at the circumstances, it appears there wasn't a reasonable prospect of success here. I say this because the nature of the dispute and the submissions by Mr A means there are doubts as to how the card scheme would be able to effectively arbitrate in his favour here. While Mr A has said that his vehicle is faulty, he's provided limited evidence regarding these faults and in addition the interactions he had with D to resolve this.

So I think Monzo weren't acting unreasonably in not progressing the chargeback further as it didn't have a reasonable prospect of success based on the evidence available.

I also note Mr A has said D operated under multiple trading names and are currently inactive. While I appreciate he's questioned the legitimacy of their business, I'm considering Monzo's administration of Mr A's chargeback claim with mind to the evidence presented and the circumstances. And I can't agree that they could've done more in progressing the claim further with mind to the requirements of Mastercard's rules as there wasn't a reasonable prospect of success.

So while I appreciate this'll be disappointing to Mr A, I won't be asking Monzo to do anything further.

My final decision

For the reasons explained above, I won't be upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 October 2025.

Viral Patel
Ombudsman