

## **The complaint**

Miss M is complaining that Monzo Bank Ltd didn't refund payments she said she didn't make.

## **What happened**

The circumstances are known to both parties, so I'll only summarise them here.

Miss M was selling items on an online marketplace. On 16 June 2024 Miss M received a message within the marketplace to say she'd sold an item, with a link which she was told to open to confirm the sale. From here, Miss M was told she needed to verify her card and must hold at least £300 in her account to do so.

She was told to enter her card details, and then to expect push notifications to verify her card. She was told this could look like a purchase but would include a random number generated by their payment system.

Miss M confirmed the push notifications she was sent but then quickly realised that two payments of £299 had been made from her Monzo account to a money transfer service.

Miss M reported what had happened to Monzo on the same day as the payments were made and asked for her payments to be refunded – but she didn't receive an outcome to her claim until 7 October 2024. Monzo told Miss M it wouldn't be reimbursing her for the money she'd lost.

Miss M then made a complaint and she received Monzo's final response to her complaint on 17 October 2024. Monzo didn't change its position on refunding the payments, but did credit Miss M's account with £50 for the delay in providing its outcome.

Miss M brought her complaint to the Financial Ombudsman Service. Our Investigator didn't think it should be upheld, but Miss M didn't agree – so her complaint has been passed to me for review and a 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'm sorry to disappoint Miss M but I'm not upholding her complaint – for much the same reasons as the Investigator.

## **Authorisation**

The relevant law here is the Payment Services Regulations 2017 – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is

responsible for authorised payments, and the business is responsible for unauthorised payments. Miss M disputes authorising the payments, so I'll address this point first.

The PSRs specify that authorisation depends on whether the payment transactions were authenticated correctly – and whether Miss M, or someone acting on her behalf, consented to them.

The PSRs go on to specify how consent is given. It must be in the form, and in accordance with the procedure, agreed between Miss M and Monzo. This is laid out in the terms of the account Miss M held in relation to making card payments, as follows:

***“Ways you consent to making the payment***

- *Confirm on the merchant's website.*
- *Consent over the phone.*
- *Enter a security code.*
- *Enter your PIN in the Monzo app.*
- *Prove it's you with fingerprint or facial recognition.*

***Withdrawing consent***

- *Once you've given consent, you can't withdraw it.”*

It appears Miss M was tricked into sharing her card details and then the scammer entered her card details into the merchant's website to make the payments – so here it seems it was the scammer who gave the payment instructions using Miss M's card details. So, Miss M didn't agree to the payment instructions, but Monzo says the payments were authorised as Miss M confirmed the payments in its app through a stronger authentication process.

Miss M recalls following a stronger authentication process, but she said she wasn't aware she was making payments by doing so. She says she authorised an active card check by the money transfer service because this is what it said on the screen she saw in the Monzo app.

I can see that during the process the money transfer service completed two active card checks where no funds were debited - which is likely to be why Miss M recalls seeing these screens. But I can also see that as well as the active card checks, two payments to the money transfer service were authorised through Monzo's app. Monzo's records show that stronger authentication for these payments was completed on Miss M's trusted device (which she used regularly to access Monzo's app) and using the biometrics on her device (either face or fingerprint ID). I can also see that in her chat with the scammer, Miss M has confirmed actioning push notifications which she was told would contain a randomly generated number, which was in fact was the value of the payment she was confirming. So, I think Miss M did complete the stronger authentication process for the disputed payments.

Monzo's sent us some screenshots to show that the process flow here has steps which involve being shown a notification showing a payment is waiting to be reviewed, which opens a screen in the app asking for the payment to be reviewed. The payment amount and who it's being made to is shown on the screen with an option to approve or cancel the payment, and either face ID, touch ID or PIN verification is required to approve the payment. So, I think it would have been clear that Miss M was approving a payment.

I'm not doubting Miss M's word here, but I do think that she was under some pressure at the time and her recollection of the screens she saw perhaps isn't quite right. Overall, I think it's likely she did approve the payments using the process Monzo's outlined.

Although Miss M didn't enter her card details to make the payments, I'm satisfied that the payments were correctly authenticated using Miss M's card information and stronger authentication through the app. I think that by completing these steps, Miss M represented to Monzo that the payment instructions were genuine. And it was reasonable for Monzo to rely on this to process the payments. So, it's reasonable for Monzo to treat the payments as having been authorised and as such it isn't obliged to provide a refund.

### Should Monzo have intervened when the payments were made?

I've concluded that the payments were authorised, so I've gone on to consider if Monzo should have done anything else to prevent the payments Miss M made to the scam.

When a payment is authorised, Monzo has a duty to act on the payment instruction. But in some circumstances, it should take a closer look at the circumstances of the payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that Monzo processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I wouldn't have expected Monzo to have intervened here. The value of the payments was low in the context of the payments Monzo processes every day, and they were made to a legitimate merchant. So, I don't think these payments ought to have caused Monzo to be sufficiently concerned about a scam risk that it ought to have intervened with a warning, or by contacting Miss M directly. So, I don't think Monzo ought reasonably to have done anything here to prevent Miss M making the payment.

### Could Monzo have recovered the payments?

The payments were made by debit card, and as such, once they had been authorised it wasn't possible for Monzo to cancel them, even in a pending state. As Monzo sets out in its terms and conditions, once consent to a payment has been given it can't be withdrawn.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. But I'm satisfied that there would have been little prospect of chargebacks being successful here. I say this because I've concluded the payments were authorised, and also, they were made to a legitimate merchant which would have provided the service paid for.

### Other considerations

Monzo has accepted it took too long to investigate Miss M's fraud claim and provide her with an outcome and it has paid her £50 in recognition of this. I recognise that the delay would have had an impact on Miss M, but overall, I think that the £50 Monzo has already paid is fair and reasonable compensation for this.

Miss M is also unhappy that it wasn't within Monzo's process for her to speak to its fraud team over the phone during its investigation, and instead correspondence was carried out within Monzo's app. I can see why Miss M may have preferred to speak to Monzo about this, but ultimately it is for Monzo to decide its own process for handling fraud claims including the method its fraud team uses to correspond with its customers.

Once again, I'm sorry to disappoint Miss M as I can see that she feels strongly about what's happened here. There's no dispute she's been the victim of a cruel scam, I can understand why she'd think she should get her money back. But I've not found that there are any grounds for me to direct Monzo to refund the disputed payments to her.

### **My final decision**

My final decision is that I'm not upholding Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 December 2025.

Helen Sutcliffe  
**Ombudsman**