

The complaint

Ms S complains Monzo Bank Ltd won't refund transactions made from her account which she says she didn't make or authorise.

What happened

Ms S is disputing several transactions which debited her account totalling about £4,000 between 3 March 2025 and 27 April 2025. Ms S reported these transactions to Monzo as fraudulent in April 2025.

Monzo looked into the transactions but said it wouldn't refund them as Ms S had told them she'd given the companies involved her card details. Then Monzo made the decision to close Ms S' account. Following a complaint, Monzo still refused to refund the transactions and said its decision to close her account was in line with the terms and conditions.

Ms S referred her complaint to our service. An Investigator considered the circumstances. She said, in summary, based on the evidence she'd seen she thought Ms S had authorised the transactions. She said this because the transactions had been approved using biometrics in the Monzo app and had been funded by transfers of corresponding amounts from Ms S' external account.

Ms S didn't accept the Investigator's view. She said she wanted an Ombudsman to review the complaint, so it's been passed to me to decide.

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.

Firstly, I'm sorry to hear all that Ms S' has been through with her health and financial circumstances. I want to reassure her I've kept that in mind when considering her complaint.

Disputed Transactions

Under the Payment Services Regulations 2017 ("PSRs"), generally, Monzo can hold Ms S liable for the disputed transactions if the evidence suggests that she made or authorised the transactions.

The disputed transactions started on 3 March 2025. Ms S has told us during the period of the disputed transactions she was in and out of hospital. And this is the reason she didn't report the transactions to Monzo until April, even though they'd been happening since March. Ms S has told us the companies involved are unregulated gambling companies.

Monzo has provided evidence the transactions were made online using Ms S' card details. Monzo's evidence also shows the transactions were approved in the Monzo app using biometrics. This means whoever made the transactions would have needed access to Ms S' card details and her phone, and the Monzo app.

Ms S has told us her card was kept in her purse, which is kept in a handbag – left in an open room at work. Ms S says her phone is also left in the same place, this was unsecured, and anyone could have had access to her phone at work. I asked Ms S to tell us the dates she was working and the dates she was in hospital so we could compare these to when the disputed transactions took place. Ms S said she couldn't do that as she worked so much during the period in question.

Ms S told Monzo that she'd been in and out of hospital and her phone was also left unattended there. I asked Ms S to clarify whether she thought someone had accessed her phone when she was at work or in hospital. Ms S did not respond to this question.

So, having considered what Ms S has told us about access to her card details and phone. I accept it's possible that someone else could have had access to both but it's difficult to understand why an unauthorised party with access to Ms S' card details and phone – for the purpose of stealing her money - would make gambling transactions, rather than simply sending the money to an external account directly.

Monzo has provided evidence that the disputed transactions were challenged, and approved using biometrics in the Monzo app. Ms S says at the time her phone was not protected by a passcode or biometrics. But, this doesn't explain how biometrics could have been used to approve the payments in the Monzo app. I don't think it's more likely than not that an unauthorised party was able to (nor do I think it's likely a fraudster would) set up their own biometrics on Ms S' phone in order to complete the transactions.

In addition, most of the transactions were funded by faster payments into the Monzo account from Ms S' external account. The transfers in are almost always the approximate amount of the disputed transaction that is then made very shortly after the money comes into the Monzo account. Ms S hasn't disputed making these transfers in. She says she was putting the money in her Monzo account to save towards a holiday. Several of the disputed payments then happen within a minute or two, sometimes seconds, after the payment in from the external account. If, as Ms S says, the transactions were being made while she had left her phone unattended at work, I don't see how someone could do this so close to when Ms S happened to be making her undisputed payments in on so many occasions. I can also see that this is how Ms S uses the account more generally. For transactions that she hasn't disputed, Ms S puts almost the exact amount of the intended transaction in the Monzo account - then makes the onward payment.

Monzo's records show Ms S made undisputed transactions in between the disputed ones and logged into her app on multiple occasions during the period of the disputed use. Given the number of transactions and the number of weeks over which they took place, it's unclear to me why Ms S didn't notice them sooner.

Some of the disputed transactions debited Ms S' account in Euros. There are some payments into the account which Ms S doesn't dispute also made in Euros. When asked by the Investigator, Ms S said she couldn't remember who paid this money into her account or why. Ms S also received several refunded payments from one of the merchants. I asked Ms S to tell us how she obtained that refund, but she said the money was just refunded. I find it unusual that Ms S can't explain a large credit into her account during the period of the disputed transactions and that she received a refund, seemingly unprompted, from one of the merchants to which disputed transactions were made.

Monzo has provided a series of phone calls it had about these transactions. In the first two, someone purporting to be Ms S' sister calls Monzo and says they'd been asked to call on Ms S' behalf because she was in hospital. The caller tells Monzo that Ms S had been using a

gambling website while she was unwell in hospital and had discovered they were unregulated. And that the Gambling Commission had suggested she report the transactions to her bank. I asked Ms S why her sister had told Monzo this if she hadn't authorised the transactions. Ms S says she didn't know why her sister would have said this, but suggested perhaps this was because Ms S had gambled in the past. She also said she didn't know her sister had made these calls.

In a call Ms S had with Monzo on 30 April 2025, Ms S says:

"...my sister did call you guys yesterday I believe, regarding my account..."

In the same call, Ms S also mentions that she'd sent an email giving her sister permission to talk to Monzo on her behalf. So I find Ms S did know about her sister calling on her behalf. And I think Ms S has been inconsistent about how the transactions occurred. Telling Monzo, via her sister, that they were authorised but to an unregulated gambling website and then later saying they weren't authorised at all. She also mentioned in the online chat with Monzo that she only authorised the first payment but not any of the others.

Ms S says her phone has previously been cloned. But I've seen no evidence that's what happened in relation to these transactions.

Overall, I'm not persuaded an unauthorised party could have made the disputed transactions in the circumstances Ms S has described. So I'm not going to require Monzo to refund them.

Closure of the account

The terms and conditions set out that Monzo can close the account and that it will provide two months' notice unless specific circumstances apply. Here I can see Monzo contacted Ms S on 2 May 2025, to say it had taken the decision to close Ms S' account and was giving her 62 days' notice.

Monzo isn't obliged to provide a reason for its decision. So while I understand why Ms S is unhappy, I'm satisfied Monzo has acted in line with the terms and conditions in respect of the closure of her account.

Handling of the fraud claim

Monzo paid Ms S £100 in recognition of the delays in the handling of her fraud claim. Monzo acknowledged there had been gaps in the level of service it had provided, and it didn't complete its investigation into the fraud as quickly as it would usually. So I find the £100 is fair in resolution of this part of the complaint.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 9 October 2025.

Eleanor Rippengale
Ombudsman