

## The complaint

Mr A complains Monzo Bank Ltd hasn't done enough to help get a refund for a transaction on his debit card.

## What happened

In December 2024, Mr A bought a laptop online from a company I'll call "B", paying with his Monzo debit card. Having received the laptop, Mr A decided to return it and says he did so in line with B's return policy. Having not received a refund, Mr A chased B for an update.

B said Mr A had returned the incorrect laptop, so to receive a refund, he'd need to return the correct laptop. B also said in line with its policies, it had disposed of the laptop it considered Mr A had incorrectly returned.

Mr A was unhappy B had disposed of the laptop, and said it provided no evidence such as photos to show he'd returned the wrong one. Having been unable to resolve the matter with B, Mr A contacted Monzo for help.

Monzo raised a chargeback, which is a process of asking the merchant (B) for a refund, via rules set by the card scheme, Mastercard in the circumstances of this complaint. Monzo also provided a temporary credit of the transaction amount while the dispute was open.

B defended the chargeback, which is to say it didn't agree a refund was due. It said Mr A hadn't evidenced he'd returned the laptop, to mean he was due a refund.

Monzo says it contacted Mr A on 27 February 2025 through its app, to say B had defended the chargeback and asked he provide further evidence if available. Monzo says it didn't hear back from Mr A, so closed his dispute on 6 March and said it would remove the temporary credit within 14 days.

Mr A says he wasn't aware the chargeback had been unsuccessful until receiving the message on 6 March to say Monzo had closed his dispute. He said he never received Monzo's message on 27 February, so raised a complaint.

Monzo doesn't agree it's done anything wrong. It says B defended the chargeback and it didn't receive a response from Mr A in time, so wasn't able to challenge the chargeback any further.

Unhappy with Monzo's response, Mr A referred his concerns to our Service. One of our Investigator's looked into what happened and thought Monzo's response was reasonable, so didn't recommend it do anything further.

Mr A disagreed, he said Monzo never notified him on 27 February. He also said Monzo had a responsibility under the wider regulatory framework to support him, and it didn't do this.

As agreement couldn't be reached, the complaint has 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.

I've given consideration to the relevant rules and regulations applicable to this complaint, including Consumer Duty and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

I'm looking here at the actions of Monzo and whether it acted fairly and reasonably in the way it handled Mr A's request for help in getting his money back. This will take into account the circumstances of the dispute and the card scheme rules, which Monzo must follow and its own obligations.

Mr A paid using his debit card. This meant the only realistic option available to Monzo to get his money back was to engage with a process known as chargeback.

The chargeback process provides a way for Monzo to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the merchant (B) and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme, Mastercard, and if these are not met, a chargeback is unlikely to succeed.

The process provides an opportunity for a merchant to provide a defence to the chargeback and its own evidence in support of that defence. If the merchant continues to defend the chargeback, Monzo can either accept that defence, or it can ask the card scheme to decide who gets to keep the money, through a process usually referred to as arbitration. It's important to note that the chargeback process doesn't guarantee that a refund will be provided.

Monzo raised the chargeback in support of Mr A, and says having received a defence from B, and hearing nothing further from Mr A, closed the dispute in B's favour. So, my decision focuses on whether Monzo was reasonable in taking these steps.

The card scheme rules set out that to pursue a chargeback, having received a defence from a merchant, the card issuer (Monzo) must have comments or further evidence from the customer as to why they consider the merchant's defence to be wrong or incomplete.

So, having received B's defence, I think it was appropriate that Monzo asked Mr A to review B's defence and provide further information if he wished to challenge this further. As Monzo wouldn't have been able to pursue the chargeback without this.

Mr A says he didn't receive the in-app notification on 27 February, so wasn't aware B had defended the chargeback or that he needed to respond. I appreciate this answer will come as a disappointment to Mr A, but in reviewing the evidence I've been provided, I'm satisfied that Monzo did send this request, so I haven't found it made an error.

Monzo has explained that its systems automatically sent the notification on 27 February and would have sent a further notification four days later having not received a response. I'm not able to say why Mr A didn't see these notifications, but in considering the actions of Monzo, I've found it did what I'd expect. I've reviewed Monzo's system notes and I'm satisfied that it sent the notifications.

I note Mr A has said Monzo should have sent these communications via email to ensure they weren't missed; however, it isn't for me to tell Monzo, or any financial services provider how it must operate or communicate with its customers. Rather I can review whether the policies it implements are fair.

In doing so, I've found Monzo communicated with Mr A in the same way it would for its other customers, so I don't think Monzo made an error in asking Mr A for further information via notifications from the app.

While I haven't found Monzo made an error, I've also thought about what's most likely to have happened had Mr A responded to Monzo's request for further information. For Monzo to successfully challenge the chargeback further, it would have needed clear evidence to demonstrate B's defence was wrong and ultimately that Mr A had returned the correct laptop and not received the refund he was due.

From the information I've been provided, I'm not aware Mr A would have been able to provide such evidence. While Mr A submitted photos of the laptop box he returned, I haven't seen anything that clearly demonstrates the correct laptop was returned. And if it was that Mr A returned the incorrect laptop, there isn't a chargeback reason code through which Mr A could have asked for a refund on the basis B had unreasonably disposed of this.

So even had Mr A provided further information, I think it's unlikely his chargeback would have been successful when considering the available evidence against the requirements of the card scheme rules.

I note Mr A says his dispute should have succeeded under the Consumer Rights Act 2015, however the chargeback process is governed solely under the rules set by the card scheme, and for the reasons explained above I think Monzo did what was expected under this process.

In conclusion, while I appreciate this answer will come as a disappointment to Mr A, I haven't found Monzo made an error in the way it handled his request for help in getting a refund.

Monzo raised a chargeback, which B defended. Monzo asked Mr A for further information, and while I've taken on board Mr A's comments that he didn't receive Monzo's notification, I'm satisfied this was sent. Therefore, having not received a response within the time frame set, I think it was reasonable for Monzo to close to the dispute in B's favour, meaning it then removed the temporary credit it had provided Mr A. As a result, I won't be asking Monzo to do anything further in relation to this complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 October 2025.

Christopher Convery  
**Ombudsman**