

## **The complaint**

Mr K complains that Monzo Bank Ltd (“Monzo”) acted unfairly by not refunding payments he made using his credit card.

## **What happened**

Mr K booked a voucher for a hotel (“the hotel”) abroad via an online booking platform (“the booking platform”). He paid a total of £468 for the hotel, through transactions on his Monzo credit card. The hotel was booked for nine nights from 31 March 2025 to 9 April 2025.

When Mr K arrived at the hotel, he was unhappy and felt that it didn’t meet the standards required of a five-star hotel. Amongst the concerns Mr K raised was that the hotel wasn’t clean enough, there were problems with the room, and the food quality was inconsistent. So Mr K complained to the booking platform about these issues.

After not getting a response from the booking platform, Mr K contacted Monzo to dispute the transactions. Monzo eventually raised the chargeback, but this was defended by the booking platform and Monzo chose not to take the dispute further.

Mr K complained to Monzo, who maintained it was correct in not taking the chargeback further, but it did acknowledge the level of service it provided was not satisfactory, and so a total of £50, through two separate payments of £25, was awarded by Monzo to Mr K.

Unhappy with this response, Mr K brought his complaint to the Financial Ombudsman. Our investigator didn’t uphold Mr K’s complaint, and in response Mr K raised a number of concerns including how the goods were defined in the claim, Monzo not taking the chargeback to arbitration, how Monzo handled a potential claim under Section 75 of the Consumer Credit Act 1974 (“Section 75 CCA”), and communication failures from Monzo.

As Mr K didn’t agree with the investigator’s view, it has been passed to me for 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’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point raised by Mr K or Monzo, it’s not because I’ve failed to take it on board, but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

Mr K used his Monzo credit card to pay the booking platform for the voucher for the hotel stay. In that regard, the chargeback scheme and Section 75 CCA are particularly relevant here.

## Chargeback

Chargebacks are subject to the rules set out by the relevant card scheme whose logo appears on the card, which in this case was Mastercard. The card schemes are not within the jurisdiction of the Financial Ombudsman and we are unable to require them to run their chargeback schemes in a particular way. However, we can consider whether a card issuer has applied the rules correctly and conducted the chargeback process in a fair and reasonable manner.

When Mr K contacted Monzo, it eventually accepted there was a possibility of a successful chargeback being made and so it took the evidence Mr K provided and made one. I think this was a reasonable step for Monzo to take at this point. I acknowledge there were issues in Monzo initially raising the chargeback, and Mr K has raised concerns about how the dispute as a whole has been handled by Monzo. I will comment on Monzo's overall handling of the complaint later in my decision, but first I will consider how Monzo handled the outcome of Mr K's chargeback claim.

The booking platform didn't agree with the chargeback and pushed back, setting out why it believed it had provided the agreed service to Mr K. Following the defence from the booking platform, Monzo then chose not to take the chargeback further.

Mr K has raised concerns about this, stating he feels that by not taking the claim further to arbitration, he has missed out an impartial ruling. I appreciate Mr K's strength of feeling, however a consumer cannot insist on their card company attempting a chargeback, as this is not a right. I would expect Monzo to attempt a chargeback, as a matter of good practice, if there was a reasonable prospect of succeeding and to do so would be compliant with the rules of the card scheme. With this mind I've considered what happened, to see if Monzo's decision not to take the chargeback further has been detrimental to Mr K.

Looking at the rules under which Monzo could have attempted a chargeback, given what Mr K has said here, it seems the most suitable reason code would have been "*Goods or Service were either not as described or defective*", which I can see is the same code Monzo used in this instance.

Mastercard's rules state that in cases like this, where a chargeback is raised due to the service being not as described or defective, a valid defence from a merchant (in this case the booking platform) would be "*documentation that the goods or services included on the receipt or invoice were delivered or provided as described.*"

The submissions provided by the booking platform in defence of the chargeback focus on the services being as described. The booking confirmation email that was sent to Mr K confirmed the specifications of the booking, including the hotel, the number of nights, the occupancy of the room and whether the stay was all inclusive or not. There doesn't appear to be a dispute that the selections made by the booking platform were incorrect or were not what Mr K received. I think the submissions from the booking platform showed Mr K received the booking he selected. So, the evidence provided by the booking platform appears to have been a valid defence under Mastercard's rules, as it shows the service provided by the booking platform booked the hotel stay correctly.

I've then considered Mr K's specific concerns regarding the hotel being defective as it did not adhere to the standards he expected of a five-star hotel. Mr K has said this was because there was a lack of adequate cleanliness in multiple areas of the hotel, the food quality being inconsistent, no bar service near the outdoor pool, a lack of sun loungers, and problems with the hotel room.

Many of the concerns that Mr K has raised, such as the overall cleanliness of the differing areas of the hotel, or the inconsistent food quality, are relatively subjective areas, which are difficult to adequately evidence. So, based on what Monzo were presented with. I don't think it was unreasonable for Monzo to have wanted to have seen more before taking the claim to arbitration.

It's also important to note that the hotel was used by Mr K for the full nine nights that it was booked for, so in this case there has been no unused portion of the hotel stay, that was paid for but not used. This makes it more difficult for Monzo to argue that Mr K didn't receive what he paid for.

Whilst I appreciate Mr K had concerns over the quality of the hotel stay, I don't think it was unreasonable for Monzo to have wanted to have seen more in order to take the claim to arbitration. It's difficult to know what Mastercard would have said at arbitration, but from everything I've seen, I don't think Monzo were unreasonable in not taking the chargeback further.

### Section 75 CCA

Before deciding on whether there is breach or misrepresentation here, there are some requirements set out in the CCA which also have to be met before these issues can be considered. One of these tests is around financial limits and having considered these I think that Mr K's claim meets the financial limits criteria. I say this because Mr K paid £468 for a voucher for an all inclusive nine night stay in the hotel.

Another test in the CCA for a valid claim, is that there must be a debtor-creditor-supplier agreement in place. This is often referred to as the 'DCS agreement' or simply "DCS". This means that there needs to be the necessary three-party relationship. This often looks like:

- A debtor (who makes repayments to the creditor for the borrowing for the purchase)
- A creditor (who has to send the borrowed amount direct to the supplier)
- A supplier (who has to provide what was purchased to the debtor)

This means the person who paid for the goods or services (the debtor-Mr K) should have a contractual relationship with whoever supplied the goods or services (the supplier-the hotel or the booking platform here) as well as with the credit provider (the creditor-Monzo). And this is the crux of the complaint here. Mr K says that the DCS relationship is in place so Monzo can be held liable for any breach of contract or misrepresentation by the hotel. The hotel was due to supply Mr K with the hotel room, but the hotel wasn't who he paid with his credit card. He paid the booking platform for a service to book the hotel room, and it was the hotel who actually supplied the room.

So, Mr K paid the booking platform (not the hotel) but some of the issues were with the hotel not being as described. So clearly there are four parties here namely Mr K, the hotel, the booking platform and Monzo.

I've looked at the relationship between the booking platform and the hotel further. The terms for the booking platform state that it "... *provides an intermediary service for booking hotels and other accommodations. Therefore, it is not responsible under any circumstances for the service offered in these establishments...*" It also states the booking platform "... *acts as a*

*mere intermediary for contracting the service and does not assume the risk or liability for any of the services offered...*" Additionally the booking confirmation email sent to Mr K from the booking platform states the booking had been confirmed, and gave the relevant voucher code for the stay.

In this instance Mr K paid a total of £468 to the booking platform for a voucher to entitle him to a nine night stay at the hotel. Given what is set out in the booking platform's terms, the booking platform is acting as an intermediary here, and the service they are providing Mr K is supplying him with a voucher which books his stay at the hotel selected by Mr K.

I'm not persuaded that DCS is in place here with regard to the services provided by the hotel, which means Monzo would not be jointly liable for the performance of the hotel, which in this case means I can't hold Monzo jointly liable for the hotel not performing in the way a reasonable person would expect from a five-star hotel.

The DCS relationship is in place however, between the booking platform, Mr K and Monzo. This means Monzo would be liable for the booking platform performing its role in the transaction with reasonable skill and care. I think that if the booking platform did provide inaccurate or false information during the booking, it could be argued it wasn't performing its role with reasonable skill and care, and so it may be something Monzo could be held jointly liable for.

Mr K has explained that the booking platform's advertising and representations formed part of the contract and were false or inaccurate. But I note the booking platform's terms state that it will not be liable for "*incorrect information about the accommodation*", which would make it more difficult for Monzo to be jointly liable.

It could be argued this term is potentially unfair, but only a court can decide if that is the case. If the term was considered to be unfair, the remedy to this, would be to read the agreement as if that particular term was not in place. In this scenario, it would allow Monzo to be jointly liable for the information provided by the booking platform. However, even if I could say this, I don't think it would make a difference here, as I'm not persuaded there is enough evidence to say there was a misrepresentation made by the booking platform in this instance, for the following reasons.

Through the booking platform Mr K selected nine nights in a specific hotel, opting for an all inclusive stay and a double or twin room. This was the same hotel that Mr K eventually stayed in, and a double or twin room was available for the full duration of his stay, and it also doesn't appear to be in dispute that Mr K received the all inclusive option he'd selected. These are all aspects set out on the booking confirmation, for which it appears Mr K received, indicating the booking platform arranged this aspect of the booking with reasonable skill and care.

I have then thought about whether any misrepresentation by the booking platform took place. I note the hotel that Mr K booked through the platform, has five-stars next to the hotel's name on the booking information section of the booking platform, so it is clear the booking platform advertised this fact to Mr K. I've then looked at the hotel's own website online, and I can see that it is described in the same way on its own website, with the hotel's name being followed by five-stars. The hotel is also classified on the country's tourist office website as a five-star hotel. So it appears that the way the hotel has been described by the booking platform to Mr K, is consistent with how the hotel itself, and the country's tourist office categorises the hotel as. Whilst I appreciate Mr K disagrees the hotel actually meets the standard a reasonable person would expect of a five-star hotel, I can't agree that the booking platform misrepresented the hotel to Mr K, as it is consistent with what is set out on the country's tourist office website.

Mr K also had concerns relating to several issues, including there being a lack of adequate cleanliness in multiple areas of the hotel, the food quality not being consistent, there being no bar service near the outdoor pool, a lack of sun loungers, and the overall quality of the hotel room itself bring not up to standard. So I've thought about whether the booking platform mis-represented these issues.

Mr K has mentioned there being a cockroach in his hotel room, the room's floor only being mopped once over the period of a week, and the outdoor and indoor pools not being clean enough, amongst other things in evidence of the poor cleanliness at the hotel. Additionally, Mr K has provided photos of there being issues with the room such as covers not being provided on the bed sheets, missing tiles and gaps in the balcony door, in evidence of the room's poor quality. Mr K has also referenced there not being any bar service near the outdoor pool. Whilst I appreciate Mr K's concerns, the booking made by the booking platform doesn't specially mention any of these aspects of the hotel, so issues like these would relate to the actions and performance of the hotel itself, which for the reasons I've already explained, I can't hold Monzo jointly liable for.

Mr K also raised concerns about a lack of sun loungers. Access to sun loungers is mentioned within the hotel's description on the booking platform, so this is something I'm able to consider. But I can't see that evidence, such as photos demonstrating this, was provided to Monzo in relation to this point to demonstrate there'd been a breach of contract. This lack of evidence would have made difficult for Monzo to conclude a breach had taken place in respect of that issue as well.

Taking everything into account, even if I could hold Monzo jointly liable for the accuracy of the information on the booking platform, I don't think enough evidence was provided to Monzo to satisfy them there had been a breach or misrepresentation by the booking platform.

Mr K also feels strongly that Monzo should have informed him about the possibility of a Section 75 CCA claim, instead of just focusing on a chargeback claim. Mr K feels that by not doing this Monzo have breached Consumer Duty. I've considered this, but I don't think it makes a difference in this instance. I say this because even if Monzo had explained the full Section 75 CCA process to Mr K, for the reasons I've already explained I'm not persuaded a Section 75 CCA claim would have been successful in any event. So, I can't agree it made a difference here.

### Customer service

Mr K has also raised concerns around the way Monzo have handled his claim.

When Mr K first attempted a chargeback with Monzo, it was rejected as there wasn't sufficient information. I don't necessarily think Monzo acted unfairly at this point, as when making a chargeback claim it is important to have sufficient evidence to reduce the chances of the chargeback failing. Following this I can see Mr K did provide further information to Monzo, but instead of considering this evidence, Monzo instead stated that a claim of this type couldn't be taken further, and so a chargeback couldn't be raised. This was wrong information, and I can see that following this a chargeback was correctly raised. Monzo issued a final response letter on 15 May 2025 in respect of this portion of the complaint and awarded £25 for the inconvenience caused.

It's not in dispute that Mr K was provided with wrong information, and this wrong information caused him to have to contact Monzo on more occasions to have the chargeback correctly considered. In circumstances like this, I'd expect a business to make an award to compensate a consumer for the inconvenience caused, and I can see Monzo did make an

award here. I don't think the amount awarded by Monzo is unreasonable, and so I think what Monzo has awarded for this portion of the complaint is fair.

Mr K also raised concerns about the impact Monzo had in not adhering to his communication preferences. Mr K found the chat function within Monzo's app to have been a more difficult way of presenting his evidence and so he requested communication through email, and that this failure could have weakened his submission. Monzo issued a final response letter on 8 July 2025 in respect of this portion of the complaint and awarded a further £25 for the inconvenience caused.

Whilst Mr K has raised concerns that using the app made it more difficult for him to submit evidence to Monzo relating to the claim, I can see that evidence such as the photos from the hotel, screenshots of how the hotel was advertised to Mr K and emails between Mr K the parties involved were all able to be submitted by Mr K and subsequently considered by Monzo. So I don't think the outcome of the dispute would have been affected by the use of the app. However, it is clear that Mr K's preference for communication with Monzo was email rather than through the app. Considering the £25 that has been awarded for this portion of the complaint, I don't think this is unreasonable, and so I think what Monzo has awarded is also fair.

I can see from Mr K's credit card statements that the redress payments listed above, totalling £50, have been paid by Monzo to Mr K, in the form of two £25 payments. Taking everything that has happened into account, I'm persuaded this is a fair resolution to this complaint, and so I won't be asking Monzo to take any further action.

### **My final decision**

I think the total of £50 paid by Monzo Bank Ltd to Mr K is a fair resolution of this complaint. I make no further directions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 February 2026.

Jonathan Wistow  
**Ombudsman**