

The complaint

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

What happened

In December 2024, Mr A paid for a lifetime subscription to an online service with a company I'll call "B". Mr A was concerned he wasn't receiving the services he'd paid for and asked B for a refund, which it declined to provide.

Mr A then contacted Monzo for help in getting a refund. 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. B defended the chargeback, which is to say it didn't agree a refund was due. It said Mr A's purchase was non-refundable and it was still operating and honouring the services paid for.

Monzo told Mr A of B's defence and asked that he provide further information if he wished to dispute the transaction further. Mr A provided further information in March 2025, which Monzo reviewed. Having considered all the evidence, Monzo didn't think it could pursue the chargeback further, so closed it in B's favour.

Unhappy with Monzo's decision Mr A complained. Monzo doesn't agree it's done anything wrong, it says there wasn't sufficient evidence to show B had breached its terms and conditions or failed to provide the service that had been paid for. As a result, Monzo didn't think pursuing the chargeback further would have a reasonable prospect of success.

Following this, Mr A referred his concerns to our Service. One of our Investigator's looked into what happened and thought Monzo was reasonable in its decision not to pursue the chargeback further having received the defence from B. She thought Monzo was fair in concluding there wasn't enough evidence for it to think the chargeback would be successful if it were pursued further.

Mr A disagreed with our Investigator's conclusions; he said the usability of the service had reduced significantly. Mr A also said he'd never been provided the merchandise he'd been promised when making the purchase.

As the matter wasn't resolved, 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 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 how the merchant (B) has acted, but there are other considerations, such as 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 and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme, 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.

Chargeback is designed to be a simple process to settle complaints. The only matters to be considered are the rules set by the card scheme to which the consumer's card belongs, along with the facts of the case. It is not designed to settle complex disputes or to consider legal arguments.

Monzo raised a chargeback to support Mr A and decided not to pursue the dispute further having received B's defence and considering all the information it had been provided. So, my decision focuses on whether it was reasonable in making this decision.

I note Mr A has queried what information I'm able to rely on. In this decision I'm considering whether Monzo's actions were reasonable up until it responded to his complaint in April 2025, and therefore the information that would have been available to Monzo during this period.

Monzo raised the chargeback under reason code '*Goods or Service Were Either Not as Described or Defective*', which I think was reasonable based on Mr A's concerns being primarily, that he wasn't receiving the quality of service he expected.

B defended the chargeback saying it had provided Mr A access to its services; it was continuing to operate; and the terms set out the subscription was non-refundable.

So, Monzo had been provided with two versions of events, Mr A's that the quality of the service wasn't in line with what he paid for, and B's that it was operating and honouring the service Mr A had paid for.

While I appreciate this answer will come as a disappointment to Mr A, I think Monzo was reasonable in deciding not to pursue the chargeback further, as it wasn't confident it would be successful against the card scheme rules.

Although I note Mr A was unhappy with the service he was receiving, he acknowledged he was still able to access B's app and its terms set out this was provided on an 'as is' and 'as available' basis and made no commitment to meeting the requirements of the customer.

While Mr A may question the fairness of these terms, in this complaint I'm only able to review the actions of Monzo as the financial services provider. And considering the evidence it had been provided, I don't think Monzo was wrong to close this dispute as it wasn't confident it would be successful against the scheme rules if pursued further. In reviewing Monzo's system notes, I can see it gave fair consideration to all the evidence before making this decision.

Mr A has also said his chargeback should have been successful on the basis he didn't receive the merchandise promised alongside his subscription. I've taken on board these comments and realise it would have been frustrating if unhappy with the usability of the service to have also not received the merchandise, but I don't think Monzo was wrong for not pursuing the chargeback further on this basis.

Under the card scheme rules, it's only possible to raise a chargeback once per transaction, and this was raised on the basis the service was defective, which was the primary basis of Mr A's dispute. Had Monzo challenged B's defence for the reason the merchandise hadn't been received; I think this is also unlikely to have seen Mr A receive a refund in full or partially.

I say this as, from the information available, beyond the promise of merchandise, I haven't seen anything further to say what this might be, such as physical or digital merchandise, its value or the expected date of delivery. All of which would be necessary to ask for a refund of any value of the merchandise.

So, while I acknowledge Mr A's frustrations at not receiving the merchandise he'd been promised, when considering the requirements of the card scheme rules, I don't think there was sufficient evidence to mean a chargeback pursued on this basis would have seen Mr A receive a refund.

In conclusion, while I appreciate this answer will come as a disappointment to Mr A, I won't be asking Monzo to do anything further in relation to this complaint. Monzo raised a chargeback in support of Mr A and considered all the evidence it had been provided before deciding not to pursue the dispute further. While I understand Mr A is unhappy with this decision, I think it was one Monzo was reasonable in making this decision when considering the chargeback rules.

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 28 October 2025.

Christopher Convery
Ombudsman