

The complaint

Mr J complains Monzo Bank Ltd (“Monzo”) refuses to refund him for transactions on his account he says he didn’t authorise.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In short, Mr J says he made payments online to a gambling company however his card statement shows he was debited by other merchants who’s names he didn’t recognise. Mr J says he received gambling credits with the site he wanted to use and was able to gamble online with the credits he received, but he thinks Monzo should’ve raised chargebacks and refunded the payments as he did not consent to pay the unknown fictitious, merchants who debited his account. So, Mr J says the payments that were debited were unauthorised and Monzo should refund them.

Having been unable to resolve this complaint with Monzo, Mr J brought his complaint to our Service. Our investigator considered this complaint and made the finding that the transactions were authorised as per the Payment Service Regulations 2017 (PSRs), and there were no valid grounds for a chargeback. And there was no other fair reason to ask Monzo to refund the payments that Mr J received the relevant services for.

Mr J wasn’t happy with this outcome, so the complaint was passed to me for a final decision. I have already outlined the reasons why I don’t think this complaint should be upheld in recent communication with Mr J. So, I have provided a summary here of what has already been outlined in detail and a summary of my findings.

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.

Consumers are generally liable for payment transactions they’ve authorised, and businesses will usually be liable for unauthorised transactions. An authorised transaction is defined as one which was authenticated correctly and consented to by the payment service user. There is no reference in the PSRs, or any other relevant laws and guidelines, which include provisions about the name of merchant which debits the account. In fact, the PSRs state that when a consumer gives a payment order the underlying relationship between them and whoever they’re paying is irrelevant to whether the payment is authorised. This means the relationship between Mr J and the company he paid is irrelevant. And the rules also state there is no need for the consumer to be fully aware of the details of the payment at the time they completed the procedure for giving consent.

Mr J says he made the payments in dispute. He says he entered his details online and consented to make the payments which were debited from his account. But he says he didn’t “consent” to pay the merchants who eventually debited his account. However, as I’ve clearly

outlined above this doesn't make the transactions unauthorised.

Mr J says that Monzo should've raised a chargeback in relation to these payments as soon as he complained. I've considered this alongside the chargeback rules. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

However, there are a list of reasons under which a consumer can request a chargeback. These are:

- Goods or services paid for were not received.
- The items received were faulty, damaged, or not as described.
- They were charged the wrong amount, charged twice by mistake, or received a charge for a cancelled subscription.
- The company purchased from has gone out of business.
- The transaction was unauthorized or fraudulent.

Mr J says he received the credits he paid for on the relevant site and was able to gamble with the credits he got. He hasn't complained that he was charged the wrong amount, or that he was charged twice by mistake. He received his credit, so the company hadn't gone out of business. And as I've clearly outlined above, the transaction was authorised and was made by Mr J – so not by a fraudster. Therefore, there are no valid chargeback grounds which Monzo ought to have raised on his behalf.

Mr J says the companies which charged his account are fictitious and he questions on what basis these entities were treated as genuine and identifiable trading entities. However, there is no evidence to support the assumption that these entities are fictitious. Clearly, they are business entities which have been set up and can take payments, as they have taken payments from Mr J. And they must have some link or affiliation with the business Mr J intended to pay as he received the credits he had paid for on the relevant site.

In any event, there is no responsibility on Monzo to check the merchants their customers wish to pay. Monzo do have a responsibility to process customer's payments as instructed by them and without unreasonable delays. And Monzo has met their obligations here. So, I am not upholding this complaint and there is nothing further Monzo needs to do here.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 20 March 2026.

Sienna Mahboobani
Ombudsman