

The complaint

Mr P complains about how Monzo Bank Ltd ('MB') handled a claim he made to it.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr P used his MB debit card to pay for a mobile phone for £652 from a supplier selling goods on an online marketplace. However, he later told MB the phone had not arrived.

MB looked into things and raised a chargeback. However, it says that the merchant (the online marketplace) defended it and said the goods had been tracked and delivered to the addressee. MB says it provided this information to Mr P to review – and asked him if the goods had been received. MB says Mr P answered 'Yes' so it discontinued the chargeback process.

Mr P raised a complaint which MB did not uphold so he escalated it to this service. In summary, Mr P says it wrongly closed his dispute and would not re-open it. He said MB failed to protect him and also failed to open a claim under Section 75 of the Consumer Credit Act 1974.

Our investigator did not uphold the complaint so Mr P asked for an ombudsman to look at things for a final decision. So the matter has been passed to me for review.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I am sorry to hear about Mr P's issue with the goods he paid for. However, it is important to note here that I am not looking at a complaint about the supplier or marketplace. My role here is to decide if MB has acted fairly, in its role as a provider of financial services, based on the information that was reasonably available to it at the time. In considering this I consider any relevant card protections – in this case, chargeback.

I note that Mr P used a debit card here but has mentioned Section 75. However, this does not apply to debit cards – so MB was not acting unfairly in not progressing a claim on this basis.

Chargeback

Chargeback is a way that MB can dispute a payment that Mr P has made in respect of goods. It is not guaranteed to succeed but it is often good practice to raise one. Chargeback

is governed by the rules of the relevant card scheme – in this case Mastercard. So I have considered that in deciding what is fair.

MB appears to have raised a chargeback for Mr P under a reason code related to goods not being provided. Based on the information Mr P provided about the nature of the dispute this does not seem to be an unreasonable reason code for MB to have used here.

I note that MB received a defence to the chargeback from the merchant with detailed tracking details to show the parcel was accepted at the same address on the shipping confirmation and the time and date this occurred.

MB appears to have gone back to Mr P to review this information and asked him to confirm if he received the item. Mr P then confirmed 'Yes' to this question and MB discontinued the chargeback.

I don't think MB was unreasonable in discontinuing the chargeback based on Mr P's response here. I know Mr P said he mistakenly confirmed 'Yes' but I don't think the question is ambiguous or unclear. So on the face of it, I don't think MB acted unfairly in the way it handled the chargeback.

I know Mr P later clarified to MB that he did not receive the item – but I don't think it was then able to start the chargeback process again at that stage. Even if it was able to – I don't think that clearly changes things in any event. The merchant contested the claim so the matter would likely have had to go for arbitration by the card scheme. And even though Mr P said he didn't get the goods and the item was not signed for by him the merchant has tracking showing it was received at the address on the order. The matter is further complicated by the fact the Mr P says the order was not placed through his own marketplace account but a friend's (whose name appears on the order and who appears to be the addressee). So I don't think the evidence is clear that Mr P would have likely won the claim for an item not received in any event.

Mr P also says he provided MB evidence that the merchant had agreed to process the refund. However, I don't think the evidence submitted to MB at the time clearly shows that. It appears to show a refund request was submitted by the merchant (in its role as a marketplace) for approval by the seller – but not confirmed. So I don't think MB was acting unreasonably by pursuing a chargeback for goods not received here (as opposed to something like a refund not processed).

Overall, I don't consider that MB acted unfairly in the way that it handled the chargeback claim, or that it likely caused Mr P a financial loss here in any event. So I don't uphold this complaint.

I am sorry to hear about the impact the issue has had on Mr P. However, I remind him that my role is to look at the actions of MB only. And with minimum formality. Mr P can explore ways he can pursue his dispute by more formal means (such as court) if he wishes.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 December 2025.

Mark Lancod

Ombudsman