

## **The complaint**

Ms G complains Monzo Bank Ltd didn't do enough to help get a refund for a transaction paid on her debit card.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it at length here. In summary, in September 2024, Ms G placed an order with an online retailer which I'll call "B" paying with her Monzo debit card.

Ms G says she then returned the items she'd ordered, however, didn't receive a refund from B. Ms G therefore contacted Monzo for help in getting a refund. Monzo raised a chargeback, which is a process of asking B for a refund via rules set by the card scheme, Mastercard in the circumstances of this complaint. Monzo provided a temporary credit while the dispute was open.

Monzo then said B had refunded Ms G, so it removed the temporary credit. Ms G said she couldn't see the refund on her statements and asked Monzo to point it out, which it failed to do. Ms G therefore raised a complaint, however Monzo didn't agree it had done anything wrong.

Unhappy Ms G referred her concerns to the Financial Ombudsman. One of our Investigators looked into things and didn't think Monzo had treated Ms G fairly. He wasn't satisfied B had refunded the transaction, so thought Ms G had lost out when Monzo closed the chargeback when it did.

Our Investigator therefore recommended Monzo compensate Ms G the value of the transaction, pay interest and £50 compensation.

Monzo accepted our Investigator's findings, but Ms G didn't think the compensation fairly reflected the upset caused, saying it should pay at least £150. Monzo made an offer of £100 compensation to bring the matter to a close, which Ms G rejected.

Ms G said anything less than £150 didn't reflect the inconvenience she'd been caused. Monzo then said it considered the Investigator's recommendation of £50 to be fair and said it wasn't willing to offer anything further.

As the matter remained unresolved, 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.

My understanding is the underlying chargeback has been resolved as Monzo has now agreed to compensate Ms G the value of the transaction. So, all that's left for me to decide is whether Monzo should pay compensation and if so, what amount is fair to acknowledge any inconvenience or distress that was caused.

In doing so, while I appreciate this answer may come as a disappointment to Ms G, I think our Investigator's recommendation of £50 is fair and I'll explain why.

Having received Ms G's dispute, Monzo raised a chargeback and provided a temporary credit in November 2024, which I think was reasonable to support her request for a refund.

In December 2024, Ms G received a credit from B which Monzo thought was a refund for this transaction, so said it would remove the temporary credit it had provided. Ms G clarified this refund was for a different transaction and Monzo said it would continue to dispute the transaction on her behalf.

At the end of December 2024, B defended the chargeback, saying it had already provided a refund. Monzo accepted what B had said and therefore again said it would remove the temporary credit.

However, as our Investigator explained there are a number of charges and refunds for the amount of the transaction in question in December 2024. It's not clear if they all relate to this transaction, although they are all with B. But I don't think it's clear Ms G did receive a refund and Monzo could have done more to understand this, before closing her dispute.

Monzo has now agreed to reimburse the value of the transaction being £45.35. Alongside this Monzo has agreed to pay 8% interest on this amount to recognise the time Ms G has been without the funds. This should be paid from the date Monzo removed the temporary credit until the date of settlement, in line with our Service's approach to redress.

I don't doubt this experience would have been frustrating for Ms G and think it's appropriate Monzo pays compensation to recognise this. While Monzo accepted B's defence in good faith, it was clear Ms G disputed what B had said and Monzo could have looked into this further and it's clear this has caused Ms G frustration and inconvenience.

In the circumstances I do think our Investigator's recommendation of £50 is reasonable. I think this recognises that Ms G has been put to some inconvenience in needing to chase up the status of this payment. While it isn't Monzo's fault B didn't provide a refund when Ms G returned her order, or that it defended the chargeback, Monzo could have done more to try and ensure the chargeback process was smoother.

I therefore find that £50 is in line with what I consider to be fair compensation in the circumstances of Ms G's complaint, alongside the 8% interest, which recognises the time Ms G didn't have used of the funds.

In conclusion, while I appreciate this answer will come as a disappointment to Ms G, I won't be directing Monzo to pay any further compensation than the amount recommended by our Investigator, as for the reasons explained above, I find this to be a fair resolution to this complaint.

### **My final decision**

For the reasons I've explained above, I uphold this complaint and direct Monzo Bank Ltd to do the following:

- Pay Ms G £45.35 being the amount of the chargeback;
- Pay 8% on this amount from the date it removed the temporary credit to the date of settlement; and
- Pay Ms G £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 14 November 2025.

Christopher Convery  
**Ombudsman**