

## The complaint

Mr B complains Monzo Bank Ltd won't refund payments which he says he didn't authorise, and that it has failed to provide him with adequate support as a vulnerable consumer.

## What happened

Mr B says he used an online casino and was initially able to deposit funds and play games. But he ran into problems and was blocked from making a withdrawal – being told this was due to him being based outside the jurisdiction of the casino. He says he also experienced lots of issues with his phone which led him to think his phone had been hacked. He believes this allowed a fraudster to take a series of unauthorised card payments from his Monzo account across April and May 2024, totalling over £10,000.

Mr B complained to Monzo (supported by a professional representative) that it should refund him for the payments he said were unauthorised. He also said it had failed to take account of his vulnerabilities – including that he had disclosed he was dyslexic and couldn't read or write, yet Monzo continued to send him written messages. When Monzo didn't answer his complaint within the relevant time limit, he referred the matter to our service.

Our investigator recommended Monzo should pay Mr B £300 compensation for providing poor service in relation to his fraud claim. But they didn't think it was fair to hold Monzo liable for the disputed payments. In brief summary, they found the payments were authenticated via "3DS" checks completed on Mr B's device and didn't think the explanation about this being hacked fit with what he told Monzo at the time about making payments due to struggling with gambling. They also didn't think Monzo was at fault for not preventing or recovering the payments.

Monzo accepted the investigators' outcome, but Mr B appealed. His representative argued Mr B's position had been consistent. It said he couldn't read what was shown on the 3DS screen when authorising payments and highlighted the difficult circumstances he was, and is, in. It said Monzo had failed to address Mr B's vulnerability.

I've since been in touch with Mr B's representative to explain that, while he says he couldn't read the screens for the 3DS checks, I don't think that accounts for why he would select to approve if he wasn't making/attempting payments. As Mr B still disagrees, I'm proceeding to issue a final decision. His representative argues Monzo *"did not make an appropriate adjustment to the authorisation procedure in light of his disability"*.

## 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 appreciate this will be very disappointing for Mr B. It's clear he has lost a significant sum of money in connection with these payments. But having carefully considered all the circumstances, including Mr B's vulnerabilities, I agree with the investigator's overall conclusions. I think Monzo should pay him £300 compensation, but I don't consider it fair to

direct it to refund the disputed payments.

I want to highlight that, while I have carefully considered everything that has been submitted, my decision is focussed on the points I consider key to my determination – meaning not all information provided will be cited or commented on. And where information is unclear or contradictory, I've decided what is more likely to have happened on the balance of probabilities.

### Is it fair for Monzo to treat the payments as authorised?

Under the relevant regulations (the Payment Services Regulations 2017, "PSRs"), the starting position is that Mr B is liable for payments he authorises – and that Monzo is liable for unauthorised payments. A payment is authorised under the PSRs if it is correctly authenticated and consented to by the consumer. In practice, a payment would generally be considered authorised if the consumer completed the steps to authenticate/make the payment.

Mr B has told us he didn't make these payments. But what he told Monzo at the time suggests otherwise. When speaking to Monzo over the phone in late May/early June 2024, he said he had found himself gambling when in a low mood. He explained he had been using a particular casino and confirmed he had sent them "*a few thousand pounds*".

Mr B also said, "*I've been authorising payments thinking I'm doing one thing but I'm not*". While his representative argues this shows the payments were unauthorised, I think it's clear from the calls that Mr B was confirming completing the payment steps himself – even if he felt he had been tricked. As was discussed on the calls, Mr B was explaining that the payments were going to/via lots of different merchants who he believed were being used to mask that the payments were gambling related.

I place most weight on what Mr B told Monzo at the time, as that is when his recollections will have been most fresh. The differences in what he has said since then make it hard for me to place much weight on his later recollections. And I also can't see why Mr B would have said he was making payments, nor how he would have been able to provide this level of detail about them, if this wasn't true.

The audit information also supports the 3DS checks for the disputed card payments being completed on Mr B's device. I don't consider there to be persuasive evidence to show this could have been done via remote access of his device. If Mr B was experiencing issues with his phone connected to this matter, or had concerns about remote access, it seems unlikely to me that he wouldn't have mentioned this when speaking to Monzo at the time.

I also don't consider the later argument submitted that Mr B was completing 3DS screens without knowing what they were for credible. I don't think it tallies that he would complete these if he wasn't making any payments and therefore wasn't expecting any such checks. Overall, I'm persuaded Mr B completed the steps to make these payments – meaning it is fair for Monzo to treat them as authorised.

In making this finding I have considered the argument from Mr B's representative that Monzo failed to make reasonable adjustments to the authorisation procedure. In other words, it's alleging Monzo failed in its duty to make reasonable adjustments under the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr B wants a decision that Monzo has breached the Equality Act 2010, then he'd need to go to Court.

While I can see Mr B had discussed his circumstances and needs with Monzo prior to these disputed payments, I'm not persuaded what he disclosed meant Monzo should have known he couldn't complete 3DS checks. I therefore consider it fair for Monzo to rely on Mr B completing these checks as confirmation he wanted to make these payments.

In any event, for the reasons I've laid out above, I'm persuaded on balance that Mr B knew he was making payments. I consider it likely he did so due to struggling with gambling, and I appreciate how difficult this has been for him. But in terms of what the PSRs say about authorisation and what impact this has on liability, I do consider it fair for Monzo to conclude the payments were authorised and to hold him liable on this basis.

#### Are there any other reasons why it would be fair for Monzo to provide a refund?

Mr B has raised concerns about the casino being a scam. I have therefore considered if Monzo should have been able to prevent these payments. Under the PSRs, firms have a primary duty to enact payment instructions without undue delay. But in line with longstanding regulatory expectations and requirements and what I consider to be good industry practice at the time, I'd also expect Monzo to be on the lookout for indications of fraud. If it failed to respond proportionately to such a risk, and doing so would have prevented Mr B from incurring a fraudulent loss, it may fairly hold some liability for this.

While it's been suggested the casino paid was fraudulent, I've not seen much to demonstrate Mr B was scammed into making these payments. I would expect the evidence for this to go beyond suggestions of unethical or deceptive behaviour which might give rise to a valid civil claim, such as if the casino didn't openly promote its withdrawal terms – or was operating without proper regulation while still providing genuine services. Overall, I'm not persuaded it's been shown the casino set out to trick Mr B into making these payments with no intention of providing the intended service.

Mr B also told Monzo during one call that he had received some money back from the casino, which would seem unlikely if it were operating a scam. I wouldn't fairly expect Monzo to reimburse Mr B for losses incurred that weren't fraudulent, even if it failed to intervene appropriately at the time. In any event, as Mr B is now saying he didn't make the payments, when I think he likely did, it's hard to reach the conclusion that appropriate intervention would have prevented Mr B from proceeding with any of these payments.

I'm therefore not persuaded it would be fair to hold Monzo at fault for not preventing these payments. Nor do I think it ought to have done more to recover his loss. As the payments were made by card, they were covered by the chargeback scheme. This is a voluntary scheme, so Monzo isn't obliged to raise claims. And I would consider it fair not to do so if, under the scheme rules (set in this instance by Mastercard), it seemed unlikely the claim(s) would succeed.

Monzo has explained it didn't pursue the claims as Mastercard's rules don't allow claims relating to gambling in circumstances like this. Despite Mr B's suspicions about the merchants who the payments were sent to directly, the impression given by what he told Monzo at the time was that the funds were connected to loading funds to the casino. Given this, I consider it reasonable that Monzo decided not to pursue chargeback claims.

#### Should Monzo otherwise compensate Mr B?

Mr B has raised concerns about how Monzo treated him in light of what it knew about his disabilities. In particular, he says he told it written communication wasn't suitable for him due to his dyslexia – as well as being aware of his mental health conditions.

I have already addressed above that I don't think Monzo was on notice of anything that meant it should have known the payment method used was fundamentally unsuitable. But Mr B made his need for calls clear when reporting his claim. Yet there were instances when Monzo continued to request information in writing, or failed to limit contact to his representative when requested. And it's clear this caused Mr B upset during a difficult time.

Our investigator suggested Monzo should pay Mr B £300 compensation for the distress and inconvenience caused by its communication failings in relation to his fraud claim. Monzo has accepted this. Overall, I consider that a fair reflection of the impact this failing had on Mr B. In saying this, I'm aware Mr B's overall upset regarding this incident is significant. But I have to consider what part of that I think Monzo is at fault for.

### **My final decision**

My final decision is that I uphold Mr B's complaint with regards to the service provided while considering his fraud claim and direct Monzo Bank Limited to pay him £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 March 2026.

Rachel Loughlin  
**Ombudsman**