

The complaint

Miss F complains that Monzo Bank Ltd (Monzo) has treated her unfairly in relation to its obligations with regard to a payment she made using her debit card.

What happened

In June 2025, Miss F paid £108.90 using her Monzo debit card for two tickets to an immersive activity experience, to a merchant who I'll call S. Later the same month, Miss F raised a dispute to Monzo. She said due to technical difficulties the number of players allowed into the experience was limited and this affected the games as they are meant to be played in teams. Miss F also said half of the games had to be cancelled and she paid for a premium package but did not feel she received what was promised.

Monzo raised a chargeback dispute on her behalf. S defended the dispute stating the event went ahead as planned and the experience offered matched the description on its website. S further said tickets are non-refundable and customers are expected to contact S if seeking a refund or exchange.

On review of the defence, Monzo decided it had no reasonable prospect of success if it took the dispute to arbitration. It therefore decided not to progress the dispute any further. Monzo informed Miss F of the same and informed her that the dispute amount which had been refunded to her would be reversed in 14 days. This took Miss F into her overdraft, and she says she experienced financial difficulty.

Miss F brought her complaint about the outcome of the dispute and the reversal of the refund to our service. Our investigator reviewed the complaint and didn't find Monzo had treated Miss F unfairly. He said Monzo followed the chargeback process correctly and he didn't think it made any errors when deciding not to progress the chargeback following receipt of the merchant defence. He further said Monzo had treated Miss F fairly with regard to the reversal of the refund, providing Miss F with notice of its intent and providing support afterwards when she complained of financial difficulty.

Miss F asked for an ombudsman to consider her complaint. She said the Consumer Rights Act 2015 (CRA 2015) provides protection for customers who do not receive services as expected. Miss F states S did not fulfil its obligations and misled her, and Monzo should have protected her from that. So, the complaint has now 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 would like to start by saying that I have provided a brief summary of the events that occurred. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment

on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

I also think it's worth clarifying that I'm deciding whether Monzo acted fairly in assisting Miss F with her dispute against S. I'm not making a finding on the underlying dispute Miss F has with S. Monzo did not provide the experience Miss F is attempting to recover her funds for. So, when considering what's fair and reasonable, I'm only considering whether Monzo acted in line with its obligations as a provider of financial services.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

When Miss F raised the dispute with Monzo she said she had not received the goods and services she paid for. When raising the dispute, Monzo therefore used the reason code "*goods and services not received*". Having reviewed the Mastercard rules, I don't find this to be the most appropriate reason code for the issues Miss F described. Instead, I find the more appropriate reason code to be "*goods or services were either not as described or defective*". I find that Monzo should have recognised that and used the more appropriate reason code when raising the dispute. But even if it had done so, I don't think it would have made a difference to the outcome of the dispute. I'll explain why.

Miss F states the services did not conform to their description. S, in its defence to the dispute, states that the services provided did conform to their description. Having looked through the information and evidence available, I cannot see that there is enough evidence available for Monzo to have successfully argued that the services were not as described when the merchant claims that they were. I therefore find that even if the correct reason code had been utilised, the dispute had little prospect of success. As such, it was not unreasonable for Monzo to decline to take the dispute further and I find it has treated Miss F fairly in the circumstances.

I understand Miss F has said the CRA 2015 should provide her with protection against this type of issue. Although I understand this sentiment, as Miss F paid with a debit card, the only way in which her bank can consider her dispute is through a chargeback. Chargeback disputes can be quite limited in nature and tend to follow the rules set out by the card scheme (Mastercard). Having stayed and utilised the experience, there is limited scope for Miss F to receive a full refund of money paid towards the experience. In addition, without enough evidence to support a finding that the experience was not as described, I would not expect Monzo to pursue a dispute which is being defended by the merchant.

I will now turn to Miss F's complaint regarding the reversal of the refund. When the dispute was raised, Monzo refunded the amount in dispute to Miss F's account. This is not unusual action for a bank to take when a chargeback dispute is raised, and I can see Miss F was informed that if the dispute was unsuccessful, the refund may be reversed. Once Monzo decided not to proceed any further with the dispute, it informed Miss F that the refund would be reversed in 14 days. I therefore find that Monzo provided appropriate notice and treated Miss F reasonably.

I appreciate that the reversal of the refund took Miss F into her overdraft and she was concerned about her financial situation as a result. However, I don't find it reasonable to hold Monzo liable for that. As the dispute was unsuccessful, Miss S was liable for the amount,

and her account was charged accordingly. I understand this outcome will be disappointing for Miss F but having reviewed the entirety of the complaint raised, I find that Monzo has treated her in a fair and reasonable manner.

My final decision

My final decision is that I do not uphold Miss F's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 3 March 2026.

Vanisha Patel
Ombudsman