

The complaint

H has complained about how Monzo Bank Limited (Monzo) handled their refund claim.

What happened

As all parties are familiar with this complaint, I'll only summarise the key background where necessary within my findings below.

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 read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Monzo aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their role as a provider of financial services. In doing so I note that because H paid for this transaction using a business debit card, a chargeback could possibly help them. So in deciding what is fair and reasonable I've focused on this.

As a summary, H used their Monzo debit card in January 2025 to pay for flights via an agent I shall call 'S' for £537.90. They were set to travel in May 2025 to a destination via a connecting flight. Unfortunately on arriving at the connecting port, they were told their on-going flight had been cancelled. H therefore had to stay in a hotel for two days after which they were promised a further flight via another port to their final destination.

Unfortunately when S landed at this connecting port, their further flight was cancelled once again. As there were no further possibilities to progress H's journey, they accepted a flight back home.

H subsequently raised a chargeback claim regarding their flights but Monzo declined this as they felt there wasn't a prospect of success if it had been progressed. They said this because they considered H had accepted an alternative outcome regarding the flight back home. While Monzo accepts it was a flight home rather than the intended destination, they considered the merchant had offered an outcome which H accepted.

I've already contacted Monzo explaining why I didn't agree to their conclusions and didn't find their handling of the chargeback claim had been satisfactory. As Monzo has remained of their position, I'll now summarise my findings here.

Monzo has said H accepted alternative flights and that those arrangements were fulfilled. I've considered this carefully. But I don't think that's the right way to look at the claim.

The chargeback here relates to the overall booking, which was for return travel to the intended destination. So I think the relevant question is whether H ultimately received that service.

From what I've seen, they didn't reach their intended destination. Although alternative flights were offered and accepted at one stage, those arrangements didn't result in them reaching their intended destination. The onward journey was cancelled again and no suitable alternative was offered. Instead, H returned home.

In those circumstances, I don't think the service paid for was fulfilled. I don't consider that the operation of individual flight segments, or the acceptance of re-routing – which in any event didn't result in completion of the journey – is enough to show the overall service was fulfilled.

Taking everything into account, I don't think it was reasonable for Monzo to decline the chargeback claim for these services not being provided. I'm satisfied the primary service – transportation to the agreed destination – wasn't provided. Although H was returned to their point of departure, I don't consider that to be a substitute for the contracted service, but a consequence of its failure. In these circumstances, I think it's reasonable to treat the relevant parts of the booking as unused for the purposes of the chargeback.

I've also had regard to the relevant aviation regulations and these indicate that where a passenger is returned to their point of departure, that return isn't treated in the same way as the contracted journey. This is consistent with my position that the return here arose from the failure to provide the agreed service, rather than representing a separate benefit to H.

With all of this in mind, I consider the chargeback claim had a reasonable prospect of success had it been progressed. For the reasons I've set out, I consider Monzo needs to refund H for the flights that were not provided.

Our investigator already set out a calculation for this, but to reiterate again, they agreed that the initial flight out didn't need to be refunded. I've considered their thoughts behind this and do consider it reasonable for the used flight to be approximately 17% of the overall cost, based on the average cost of that flight at the relevant time.

I think Monzo should therefore refund 83% of the claim amount which is £446.46. I say this because the service paid for wasn't fulfilled overall. This reflects the proportion of the service that wasn't provided. In addition, 8% interest simple would also need to be applied from the date the chargeback claim was declined to the date of settlement.

My final decision

For the reasons explained, I uphold this complaint.

Monzo Bank Limited must:

- Pay £446.46 to H in respect of the unused portions of the booking.
- Pay interest on this amount at 8% simple from the date the chargeback claim was declined to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 13 May 2026.

Viral Patel
Ombudsman

