

The complaint

Mrs S complains that Monzo Bank Ltd didn't protect her from what she believed to be a fraudulent transaction. The disputed funds have since been returned to Mrs S, but she's unhappy that Monzo allowed the transaction to be processed.

What happened

On 25 July 2025 Mrs S used her Monzo card at a self-service fuel station abroad. As well as debiting her account for the fuel purchased, a pre-authorisation hold was also applied to Mrs S's Monzo account for €120 (£104.46).

Mrs S is essentially unhappy about this, believing this to be a fraudulent transaction which Monzo should've protected her against. The pre-authorisation hold was automatically reversed and the funds credited back to Mrs S's Monzo account on 25 August 2025 because no funds were claimed by the merchant.

Our Investigator didn't uphold Mrs S's complaint. In short, she explained to her at length how the pre-authorisation hold process worked and said Monzo had acted correctly in applying the hold. She also noted that the funds had now been returned to Mrs S in line with the process.

Mrs S doesn't agree. She's concerned that the pre-authorisation hold funds (£104.46) were debited from her account, essentially leaving her out of pocket for a month until the funds were returned to her. Mrs S wants an explanation as to how this was able to happen, and why she received no receipt at the time from the fuel station confirming that the pre-authorisation hold funds would be taken from her account.

The case has now been passed to me for a final decision.

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.

Having done so, I agree with the conclusions reached by our Investigator, and for largely the same reasons. I'll explain why.

As our Investigator has already explained to Mrs S, where fuel stations are unable to determine the exact amount of fuel a customer will dispense at the time the card is inserted at a self-service pump, a temporary hold for a higher amount (pre-authorisation hold) is placed on the card (in this case €120). This is a well-documented process that I can see often applies to fuel stations abroad.

I want to also make it clear that it's the merchant (in this case the fuel station, not Monzo), that applies this pre-authorisation hold. That would include how it makes customers aware of the hold, for example whether to provide a receipt, which it seems wasn't the case here.

Monzo's obligations extend only to applying the hold and reversing it after a month (if not done so by the merchant). So, Monzo had no discretion here, and took reasonable and appropriate steps to meet its obligations as defined by the merchant. I can't therefore fairly say Monzo has done anything wrong.

I can fully understand Mrs S's concern and frustration. When seeing that over £100 had debited her account that she didn't recognise, she was right to question it. And I can appreciate that being without those funds for a month would've caused Mrs S a level of inconvenience.

But my focus here is on the actions of Monzo, not the merchant, nor on the general application of the pre-authorisation hold process. And given Mrs S has now had an explanation of what's happened, and had her funds returned to her, I can't reasonably add any more to what our Investigator has already explained to Mrs S.

I appreciate this will likely come as a disappointment to Mrs S, and I'm sorry to hear of the situation she's found herself in. However, I don't find that Monzo has done anything wrong and so I won't be asking it to take any further action.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision **before 25 December 2025**.

Anna Jackson
Ombudsman