

The complaint

Mr N complains that Monzo Bank Ltd (Monzo) has treated him unfairly in relation to a payment he made using his debit card to purchase a gold bar.

What happened

In June 2025, Mr N purchased a gold bar online from a private seller (the seller) via a third-party platform (E). The gold bar cost £986.68 and Mr N also purchased some buyer protection for £21.68. So, the total order cost was £1,001.97 which Mr N paid for using his Monzo debit card.

Mr N said the order was not as described and so he spoke to both E and the seller about a return. He says he generated a return label through E's website and utilised this to send the item back to the seller. He says the seller said he did not receive the returned item and he was refused a refund. He therefore brought his dispute to Monzo.

Monzo reviewed the information provided and raised a chargeback under reason code "*credit not processed*". The chargeback was defended by the merchant and so Monzo considered whether to take the dispute further. It asked for further information and on review, decided not to proceed any further with the dispute. Mr N complained about this however Monzo found it had treated Mr N fairly when considering his dispute.

Mr N brought his complaint to our service. Our investigator looked into his concerns and found that Monzo had treated the dispute in a fair and reasonable manner. Our investigator said she could not see any evidence that confirmed the seller authorised a return or promised a refund to Mr N. She also could not see that Mr N had followed the seller's instructions regarding how the return and subsequent refund should proceed. She therefore did not think the chargeback would have succeeded if it was taken further and so she found Monzo had treated Mr N fairly when handling his dispute.

Mr N disagreed and made various allegations against the seller regarding the sale of a counterfeit product and fraud. Mr N said he utilised E's returns process and was provided with a return postage label which he used to send the item back. Mr N said the seller asked him for his email address which is against E's policies. He further said he has provided clear evidence of having returned the item to the seller and the seller has defrauded him by saying that they have not received the returned item. Mr N asked for an ombudsman to consider his complaint, so it 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 Mr N with his dispute against the merchant. I'm not making a finding on the underlying dispute Mr N has with them. I have therefore not addressed many of the points made by Mr N in relation to the seller having provided a counterfeit product and having engaged in fraudulent behaviour.

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.

In this particular case, based on the information provided by Mr N at the time the dispute was raised, I find that Monzo correctly decided to raise a dispute and did so under the correct reason code. E defended the dispute and I would expect Monzo to carefully review the information provided by E before deciding whether the dispute had reasonable prospects of success if taken any further.

I can see that Monzo requested further information from Mr N on a few occasions after the defence was received. It then reviewed the evidence and decided that it was unlikely the dispute would succeed if taken further. Having looked at the Mastercard conditions for raising a dispute under reason code "*credit not processed*" I find the dispute had low prospects of success.

I say this because the seller had engaged in conversation with Mr N about the return and asked for an email address so he could send a return label. E's terms and conditions empower a seller to arrange the return as the seller bears the cost of the return. Mr N, despite being in conversation with the seller about this, bypassed his instructions and generated a return through E's platform. The seller had conditions for the return before they would agree to a refund, and I cannot see these were met by Mr N.

I understand Mr N has said the seller asked him to send his personal email address and this is a breach of E's terms and conditions. However, he could have said this to the seller and arranged another way for the seller to send the returns label to him. As Mr N failed to follow the seller's instructions regarding the return, I find this dispute to have low prospects of success. I therefore do not find it unreasonable that Monzo declined to take the dispute further after receiving the merchant defence.

In response to our investigator's opinion Mr N has said he utilised E's returns process and provided proof of this. Although I understand Mr N feels he provided adequate evidence for his dispute to have been progressed, some of the evidence provided raises further questions and I find it unlikely the dispute would have been successful where this is the case.

I have thought about whether Monzo could have considered raising a chargeback dispute under reason code "*goods or services were either not as described or defective*" as Mr N has also said the gold bar was not the right one and was not pure gold, as he had expected it to be. However, I can see that when Mr N raised his dispute with Monzo he only told it that it was not pure gold. He did not say it was not the right item, as he has informed us. I also cannot see that he provided Monzo with enough evidence regarding the authenticity of the

gold for it to make a successful dispute under this reason code.

Therefore, having taken all the information and evidence into account, I find that Monzo has treated Mr N fairly regarding his chargeback dispute. I appreciate this outcome will be disappointing for Mr N however I wish to remind him that if he has concerns about the seller then he is able to pursue this through other avenues. This service is only able to consider whether Monzo has treated Mr N fairly as his card issuer, and in the circumstances, I find that it has.

My final decision

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

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

Vanisha Patel
Ombudsman