

The complaint

Miss B complained because Monzo Bank Ltd refused to refund her for transactions she said she hadn't made. She also complained because Monzo then closed her account.

What happened

On 18 September 2025, Miss B contacted Monzo. She said there had been payments from her account which she hadn't made. She said her phone and card had been lost. She added they'd been left at a friend's house. She said the friend had a gambling problem and had used Miss B's money on a gambling website, so Miss B now had no money for bills.

Monzo asked Miss B some more questions. She replied that the phone had been out of her possession from 9pm on 16 September to 8 am on 18 September. She said that all other transactions, both in and out of her account, were genuine. She said she'd had a passcode set up on her phone but had now changed it to Face ID.

The disputed payments came to over £3,000. Monzo blocked Miss B's card and sent her a replacement.

On 22 September, Monzo told Miss B that it didn't accept that these had been fraudulent, so it wouldn't refund her. It said this was based on the data it had available, and the timeline of the transactions suggested it wasn't possible for the transactions to have been authorised by anyone else.

Monzo also told Miss B that the terms and conditions of her account meant Monzo could close an account either instantly, or with 62 days' notice. It said it had decided to close Miss B's account on 23 November, and said she should make sure her balance was at £0 by then, and all scheduled payments had been rearranged. It added that it retained the right to close her account instantly if the situation changed.

Miss B replied that she didn't understand why she was losing her account after someone else had taken her money.

Later the same day, Monzo's specialist wellbeing team contacted Miss B, because the disputed transactions had been gambling transactions. Its adviser told Miss B:
"The work that I do mainly focuses around the wellbeing of our customers and supporting people that may be going through a difficult time... I hope I'm not overstepping, but you reported lot of gambling transactions, and I just wanted to make sure you're all right and not gambling more than you'd like to be? If you're struggling, let me know. There are lots of things we can do to support you. Or I can give you the name of some places that offer free advice. We're here to help."

Miss B replied:

"I'm all good thank you and I appreciate the check, I do gamble a little bit but no more then I can afford and it will be seen I have never once put £400-£600 on in one transaction ever, this wasn't me."

Miss B complained. Monzo sent its Final Response letter on 17 November.

In this letter, Monzo said it acknowledged that Miss B had been frustrated and confused by its decision about her fraud claim and subsequent notice to close her account, especially as Miss B had told Monzo about financial pressure with her rent and bills.

But Monzo said that when transactions are reported as fraud, its specialist team conducts a thorough review to understand what happened. Monzo had taken its decision based on data available to it, and the timeline of transactions on her account. This suggested it wasn't possible for anyone else to have authorised the disputed transactions. So it had refused to refund her. Monzo added that it had reviewed the decision after Miss B had got in touch again on 24 September and 16 November, but its conclusion remained the same.

In relation to the account closure, Monzo said it was sorry this had been unexpected and that it would cause disruption for Miss B and her linked children's accounts. But it pointed out that Miss B had agreed to Monzo's terms and conditions when she'd opened her account. This gave Monzo the right to close an account by giving two months' notice. It had given notice in line with this and her account would be closed on 23 November. Monzo said it wouldn't give the specific reason for this, and nor would it reverse it.

Miss B wasn't satisfied and contacted this service.

She explained that Monzo had said she'd made the payments herself, because she'd made payments to the same gambling firm before, but these had only been for £10 or £20. She said Monzo had refused several times to refund her, and were now closing her account. She also said Monzo had accused her of having a gambling problem, even though it was huge transactions which she wouldn't do. She said she was now in debt because she'd had to borrow money. She wanted her money back from Monzo.

Our investigator didn't uphold Miss B's complaint.

The investigator explained that when Miss B had raised her claim with Monzo, she'd selected that her card and phone had been lost, adding that they'd been left at a friend's house. She'd told Monzo the phone had been out of her possession from 9pm on 16 September to 8am on 18 September. But when the investigator had asked Miss B for more information, what Miss B had said was that she'd left her phone at home while on a school run, and her friend was at Miss B's home looking after the other children. Miss B told the investigator she'd had her card with her, but her banking login details were on her phone. She said her phone passcode was a memorable date.

Miss B had also told the investigator that the incoming credits from the gambling firm, in between the disputed payments to the gambling firm, had been instant wins from previous days.

The investigator said that what Miss B had said about leaving her phone at home but having her bank card with her, was different from what Miss B had initially told Monzo – that she'd left her phone and cards at her friend's house. The investigator also pointed out that on 17 September there had been undisputed transactions at a number of well-known retailers. These had been contactless payments using the physical card. So Miss B had had her card in her possession at that time.

The investigator also explained that even where card details are saved with a merchant (here, the gambling firm), sometimes extra information is required to authenticate the payment. This would be things like the security digits, and/or expiry date. So any third party would have needed either the card, or to have known the details on the physical card.

They'd then also have needed to bypass Miss B's phone security, click on the Monzo payment notification, and approve the payments by entering Miss B's PIN. The investigator said that as the card was in Miss B's possession at the time, she wasn't persuaded a third party could have done this.

There were also several incoming payments during the time when the gambling transactions were made. Miss B had said she'd had a standing order set up to make these payments, and as she hadn't had her phone with her, couldn't have made them herself by phone. But the payments weren't standing orders. Miss B would have had to log into her other bank, and instruct the payments manually. These had been made at different points during the day and were for different amounts. Miss B hadn't mentioned unauthorised access on other accounts, so the investigator concluded Miss B had made the payments from the other account into her Monzo account.

And these credits had happened just before the gambling transactions had been made – on several occasions. For example, there was a £700 credit at 9.22am, then two minutes later a payment to the gambling firm. This pattern had happened multiple times during the day.

Miss B had also made an undisputed payment for £106 to a third party at 7pm on 17 September, followed by a payment to the gambling firm for £250.80 at 7.24pm. That transaction had needed Miss B's PIN before it was made. As Miss B had had her phone for the undisputed £106 payment, it was reasonable to assume she also had it for the subsequent gambling payment.

The investigator also pointed out that she couldn't see any benefit to a third party in making payments which credited Miss B's gambling account, rather than their own.

Finally, the investigator also concluded that Monzo had acted within the terms and conditions when it had closed Miss B's account. She also believed that Monzo had been trying to help when it had asked if Miss B had needed any additional support in relation to gambling. The investigator gave Miss B links to a number of external organisations and charities which might be able to help Miss B with her situation if she wished to contact them.

Miss B didn't accept the investigator's findings. She said that she hadn't made the transactions. She said that between Monzo and the gambling firm, her money had been taken. She said there were a lot of bad online reviews about the gambling firm, and she had no idea how she was going to get out of debt. She said Monzo should have to give her her money back, because between Monzo and the gambling company she'd lost thousands of pounds.

Miss B asked for an ombudsman's 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.

What the Regulations say

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So what decides the outcome here is whether it's more likely than not that Miss B, or a third party fraudster unknown to her, carried out the disputed transactions.

The regulations also say that account holders can still be liable for unauthorised payments under certain circumstances – for example if they've failed to keep their details secure to such an extent that it can be termed "*gross negligence*."

Who is most likely to have authorised the disputed transactions?

In view of what the Regulations say, I've considered whether it's most likely that Miss B, or a third party unknown to her, made the disputed gambling transactions on 17 September. This determines whether Monzo has to refund her.

Miss B's account of what happened on the day of the disputed transactions has changed over time:

- When she first reported the dispute to Monzo, she said she'd lost her card and phone and added that she'd left them at a friend's house. She said the friend had a gambling problem and the phone was out of her possession between 9pm on 16 September and 8am on 18 September.
- When our investigator asked Miss B for more details, she said she'd left her phone at her own home while on a school run, at a time when her friend had been at her home looking after Miss B's other children. But she said she'd had her card with her in her purse.

As well as the discrepancy about where Miss B's card was, I consider it's unlikely that she'd have gone on a school run at 9pm on 16 September and not retrieved the phone in her home until 8am on 18 September.

Miss B's bank statements show that she made multiple undisputed payments to retailers, in between the disputed gambling transactions. These were contactless, so must have been made using Miss B's card. So she must have had her card at the time. This tallies with her second version of what happened.

Miss B's version is that her friend carried out the disputed transactions, and I've considered whether this is likely.

First, although Miss B initially told Monzo her friend had a gambling problem, I can't see there would have been any benefit to the friend in making the disputed transactions (if she'd been able to do so). This is because the payments from Miss B's account went to Miss B's existing account with the gambling firm – not to the friend. So the benefit, and any winnings would have gone to Miss B, not to the friend.

Monzo's technical evidence shows that many of the disputed transactions were approved using additional verification, with the user having to enter their PIN correctly. Monzo also explained that even where card details are saved with a merchant, extra information such as security digits, and/or the expiry date from the card, would have been needed. So whoever made the transactions had Miss B's card. As I've explained above, the multiple undisputed payments between the disputed ones, mean that it was Miss B who had her card in her possession at the relevant time.

Looking at Miss B's Monzo bank statement, it's also clear that during this period, transfers into the account enabled the disputed transactions to take place. There wouldn't otherwise have been enough money in her account for the gambling payments to be made. For example:

- At 11.38 Miss B's balance was £54.84, following a disputed gambling payment of £400.50;
- At 11.46 there was an incoming £500 payment from an external account in Miss B's name, making her Monzo balance £554.84;

- At 11.48 there was another disputed gambling payment for £501.07, leaving a balance of £53.77.

I can't see that a third party would have been able to make multiple payments from Miss B's non-Monzo account, to her Monzo account, in this way.

I also note that Miss B said that the credits into her account from the gambling firm at the time of the disputed transactions, were "instant wins." But as Miss B disputed all the gambling transactions to this business during this period, the "instant wins" can only have come from the transactions which Miss B said she hadn't made.

For all these reasons, I find that it's more likely than not that it was Miss B who carried out the disputed gambling transactions. So Monzo doesn't have to refund her.

Monzo's closure of Miss B's account

Miss B also complained about Monzo's closure of her account. I've checked the terms and conditions of Miss B's account, which she'd have had to accept when she opened the account. Under the section "*Closing your account*", these set out that "*We can close your account by giving you at least 2 months' notice.*" There are also situations where Monzo can close accounts immediately, but as Monzo didn't do this to Miss B's account, that isn't relevant here. Monzo notified Miss B of the closure on 22 September, and closed the account on 23 November. So Monzo met the requirements of the terms and conditions. It didn't have to set out a reason – any more than a customer has to give a reason if they decide to close an account.

Other matters

When Monzo's wellbeing team contacted Miss B on 22 September about the fact that there were a lot of gambling transactions, Miss B at that point said she appreciated the check. When she contacted this service, she'd changed this to saying that Monzo had "*accusing me of having a gambling problem.*" I've considered what Monzo's wellbeing team said in full. I don't consider the referral to its wellbeing team constituted an accusation, but I consider it was a genuine attempt to help Miss B if she did need help. So I find that Monzo acted fairly and reasonably in relation to this.

Our investigator also provided Miss B with a list of links to a number of organisations and charities, in case she wished to contact these in relation to her financial situation.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 5 May 2026.

Belinda Knight
Ombudsman