

The complaint

Mr S has complained Monzo Bank Limited won't refund him for a mobile transaction he didn't authorise.

What happened

On 14 October 2024 Mr S contacted Monzo as he'd noted a payment of £1,600 made from his account to someone he didn't recognise. This payment was made on 7 October 2024.

Monzo believed they had sufficient evidence to show Mr S had made and authorised this transaction himself. Mr S initially accepted this outcome as he felt he had no other option available to him. Once he learnt that he could bring a complaint to the ombudsman service, he raised his complaint with Monzo again in January 2026.

Monzo provided Mr S with a final response confirming they wouldn't be refunding him. Unhappy with this outcome, Mr S brought his complaint to the ombudsman service.

Our investigator noted that the transaction was executed on the device registered to Mr S's account. She felt all the supporting evidence indicated that it was most likely Mr S had made this transaction. She wasn't going to ask Monzo to do anything further.

Still dissatisfied, Mr S has asked an ombudsman to consider his complaint. He's confirmed his belief that there isn't sufficient proof of authorisation as required by the Payments Services Regulations.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

To help me come to a decision, I've reviewed the evidence Monzo provided, which has included a copy of Mr S's mobile banking log along with the timing of the disputed account transaction on 7 October 2024.

The regulations which are relevant to Mr S's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

I believe this transaction was authorised by Mr S. I say this because:

- The PSRs state there are two elements to authorisation: authentication and consent. The transaction was executed using Mr S's own device and biometrics. Mr S has admitted the evidence does show his device was used but argues that direct evidence of his consent should be available. This isn't the case. How would someone using his device be able to obtain Mr S's biometrics without him being aware? The regulations allow me to conclude that effective execution of a transaction – including the use of Mr S's biometrics – means he authorised this transaction.
- One hour earlier I can see – and Mr S is also aware of this evidence – two payments of £500 were made from Mr S's Monzo account. These payments are not in dispute.
- Within minutes of the disputed payment being made at 17:37, three further payments were made using another of Mr S's account to credit his Monzo account. There was one payment of £1,000 and two payments of £500 which credited his Monzo account. These appear to have been made to cover the £1,600 made within the previous five minutes. I have received no evidence from Mr S that he's disputed these three credits. This clearly suggests Mr S had his device in his possession which matches what he has always said. I am not sure how an unknown individual could have accessed Mr S's device using his biometrics then access another of Mr S's accounts without Mr S raising this as a concern.
- Even at the time the disputed transaction was made, there were considerable funds remaining in Mr S's Monzo account. The idea that an unknown individual would have accessed his account and not made use of the other funds seems unlikely to me.

I have noted Mr S's use of AI to compile information on what the regulations within the PSRs say. I repeat I believe it is reasonable to make assumptions based on what the technical evidence shows here. The PSRs allow me to do this.

I can't say for sure exactly what happened here but – looking at the slight delay before Mr S first raised this dispute with Monzo – I think there's a likelihood that Mr S made this payment in the expectation of receiving some service. This wasn't then received so Mr S raised this as a dispute. Mr S has already confirmed to our investigator that he is wise to the risk of scams so I don't believe this was a scam per se.

Based on the evidence, I won't be asking Monzo to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mr S's complaint against Monzo Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 May 2026.

Sandra Quinn
Ombudsman