

The complaint

Mr B's complains that Monzo Bank Ltd (Monzo) did not pay a number of £5 referral bonuses (the bonuses) for each customer he referred to them under a referral scheme called 'Give 5, Get 5' (the scheme).

What happened

Mr B opened an account with Monzo on 27 July 2019 at which time the scheme was in operation. In order for Mr B to receive the bonus they were four steps which need completing;

- 1. Mr B had to send a referral link to someone (the referee) who did not have a Monzo account.*
- 2. The referee would need to enter their email address in the web page opened from the referral link.*
- 3. The referee opened an account with Monzo using the same email address they used in step 2.*
- 4. The referee put money in the account, and made a purchase using their card or Apple Pay/Google Pay.*

Monzo say Mr B made 5,231 referrals under the scheme of which 2,246 didn't qualify for the bonus because the referee hadn't completed all of the steps required.

Monzo explained that their referral bonus system was entirely automated, and they were confident that Mr B had been paid for all those referrals which had completed the four steps above. Furthermore, and in support of that they said that they had not had any reports or instances of errors on the system.

Mr B was unhappy with Monzo's final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that Monzo hadn't done anything wrong and had dealt with the complaint fairly.

Mr B didn't agree and asked for the complaint to be passed to an Ombudsman 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.

The four steps above are not in issue. Monzo told this service that they changed the scheme on the 5th September. Monzo's terms and conditions allowed them to do that at any time and without giving their customers notice. Again, this is not in issue.

Mr B has provided a screen shot of a message from Monzo which states;

'Referrals are changing. From 6th September, we're stopping cash referrals for Monzo. Nudge any people you've referred to open an account, or you risk losing out on that reward! You'll still get £5 for anyone who's already used the referral link and entered their email by 5th September. But if they start the process after, we won't be giving out any rewards.'

The links Mr B sent to the referees were valid for 12 months and Monzo have confirmed that if the referees completed all their steps by the time the link expired Mr B will receive the bonus for that referral.

It's Mr B's case that any referrals made prior to 6 September ought to result in him receiving the bonus. He relies on the screen shot above and a 'chat' he had with Monzo on 15 January 2020. However, I don't interpret the screenshot in the same way Mr B does.

It seems to me that the correct interpretation is that Monzo were telling customers to encourage their referees to open an account prior to the 6 September. If the account opening process started after 6 September then the bonus wouldn't be paid. But that change does not affect step, 4 being that the referee would need to put money into the account and make a purchase. And that step could be completed up to 12 months after the referee completed step 2.

I have also read the 'chat' exchange in January, particularly from the 14 January to 15 January. The agent explained;

Anyone who used the link, entered their email and started the process of opening an account before 5 September 2019 will still get £5. But if you started afterwards you won't get the referral fee.

There was some further discussion later in the day with a different agent and then more discussion the following day with yet another agent. Mr B asked the question;

So just to confirm, the below number that have signed are fully signed up and using their account right? Any missing referrals would have signed up post September 5th is that correct?

When Mr B referred to 'the below number' he was referring to a number which appeared on the app he was using at that time. The agent confirmed that what Mr B had said was indeed correct. But Monzo later corrected that, explaining that the number displayed on the app was in fact the number of referees who had signed up in total, and it did not distinguish between those signed up before or after the 6 September.

I can see the lack of clarity here, but when you take the entire conversation as a whole, I think the message was clear that it was going to be necessary for the referee to have completed step 3 before 6 September not just step 2. So, I do not agree with Mr B's interpretation.

A further consideration for me is whether Mr B received the correct amount of bonus. Monzo have said that the system is fully automated and that there have been no reported errors with it. Mr B had received almost three thousand referral bonuses and I have seen some evidence of this in his statements. He received almost £15,000 in £5 bonuses, so I think that demonstrates the automated system was working.

Based on this and the absence of any reported faults, I think on a balance of probabilities Monzo's automated system did in fact work without error and therefore Mr B will have received the correct number of bonuses. Monzo has invited Mr B to provide details of any referral he feels has met all of the steps above but for which he has not been paid and said they would look into those cases. I think that is fair and reasonable.

So, although Mr B will probably be disappointed with my decision, I can't say Monzo has acted unfairly or unreasonably here and I'm not upholding this complaint.

My final decision

For the reasons set out above I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 December 2020.

Jonathan Willis
Ombudsman