

The complaint

Mr B complains that Monzo Bank Ltd won't support him in a number of disputes with various retailers or refund him for those transactions.

What happened

During August 2023 Mr B used his Monzo credit card to make eleven transactions varying between £12 and £35, most of which were for food deliveries. Mr B says he didn't receive the items he'd ordered and couldn't get refunds from the various retailers. So he took these disputes to Monzo. Monzo didn't raise chargebacks on all of these disputes. So he complained to Monzo. Monzo looked into the matter and refunds were later made for some of these transactions. In respect of the non-refunded transactions, Monzo has said it didn't consider these should be successful through Section 75 of the Consumer Credit Act 1974 (CCA for short) or through the chargeback process. So that's why it didn't refund him for those outstanding transactions.

Mr B didn't think this was fair, so he brought his complaint to our service. Our investigator looked into the matter. Overall, she didn't think Monzo had acted unfairly by declining Mr B's requests for a refund in relation to the outstanding transactions. Mr B didn't agree. So the complaint has 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.

There's no dispute that Mr B's Monzo account was used here. So I don't think Monzo did anything wrong by charging these transactions to his account in the first place.

Section 75

Section 75 of the CCA has some pre-requisites before any claim under it can be successful. One of these is described in S75 subsection 3b which states for a claim to be successful '*the claim relates to any single item to which the supplier has attached a cash price*' of between £100 and £30,000. All of these transactions were less than £100 each so Mr B cannot make a claim under Section 75 of the CCA to Monzo for any of these transactions as they don't meet the required criteria as to price.

Chargeback

In certain circumstances, when a cardholder has a dispute regarding a transaction, as Mr B does here, Monzo (as the card issuer) can attempt to go through a chargeback process. Chargeback is a voluntary process which is decided simply on the terms of the dispute within the rules of the card scheme (which isn't managed by Monzo). I don't think Monzo could've challenged the payments on the basis Mr B didn't properly authorise the transactions, given the conclusion on this issue that I've already set out.

Once Mr B raised these matters Monzo asked Mr B to provide evidence of what had happened and the interactions he'd had with these merchants. Mr B points to an email from one of the food retailers involved saying he should contact his bank about any disputes or wishing to raise a chargeback as the retailer says it didn't have permissions to make refunds. But Mr B was provided with a refund in late November 2023 for those transactions as I've described. So as Mr B was refunded I don't think Monzo has to do anything more in relation those particular transactions.

With regard to the outstanding transactions regarding deliveries to Mr B from other merchants I've not seen any persuasive evidence from these merchants showing that they'd failed to deliver or that refunds were due. It is of note Monzo has asked Mr B to provide all evidence of his disputes with these firms and Mr B has provided order confirmations, but save for the email referred to already, he's not provided persuasive correspondence of him disputing delivery with those merchants or evidence of failed delivery in relation to the outstanding disputes. Accordingly I'm not persuaded that any such chargeback in relation to these transactions would have had a reasonable prospect of success. So I don't think Mr B has lost out here by Monzo not raising chargebacks in relation to those transactions. As I don't think any such chargeback would have been successful anyway.

Mr B says that its good practice for banks to raise chargebacks. And he's broadly right in that. But Monzo are also required to treat customers fairly. It has tried to get evidence from Mr B which he's not provided, namely evidence of those merchants agreeing that they'd failed in some way. This evidence in such transactions is straightforward to supply so it's unclear why Mr B hasn't provided it. Monzo is required to use its discretion fairly. Its not clear to me why Mr B repeatedly made such orders when he says he repeatedly didn't receive them. And it's not clear to me why, when such orders repeatedly failed as he says, he didn't manage to dispute these issues with the merchants involved or keep evidence of such correspondence whether it be emails, App correspondences, texts or similar. It is also clear that Mr B raised many such disputes and it is unusual for so many contracts for purchases of this type to fail. Mr B says he's supplied everything he has to Monzo. I've considered everything Mr B has supplied and everything in Monzo's records on the matter. And there isn't evidence of the required type within that to show that on balance any chargeback had a reasonable prospect of success on these matters.

Mr B says the onus is on Monzo to raise chargebacks. I disagree, Monzo's overarching obligation is to treat customers fairly and to raise chargebacks where it has a reasonable prospect of success. And I think it has here.

Mr B has said "*Given that the transactions in question had no evidence of delivery it was highly probable these chargebacks would be successful*". It should be noted that for those outstanding transactions there wasn't persuasive evidence of non-delivery either (such as the merchant accepting non-delivery had occurred) nor was there persuasive evidence of Mr B challenging those merchants either after when delivery hadn't occurred or those merchants' responses to such challenges.

So I don't think Monzo has treated Mr B unfairly here. On the whole I don't think Monzo has treated Mr B unfairly by considering the limited evidence he did provide to be unpersuasive

and thus I think such chargebacks on the outstanding transactions didn't have a reasonable prospect of success.

I do appreciate that this isn't the decision Mr B wants to read. And I'm sorry to hear about what he says happened and that he says he's lost out. But I don't think Monzo treated him unfairly. And just because Mr B says he has lost out it doesn't mean it's fair for Monzo to refund him. It would only be fair for it to refund him if it had done something wrong. And I'm satisfied Mr B hasn't lost out due to what Monzo did. So it has nothing further to do here.

My final decision

For the reasons set out above, I do not uphold the complaint against Monzo Bank Ltd. It has nothing further to do here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 July 2024.

Rod Glyn-Thomas
Ombudsman