

## **The complaint**

Mr L complains about how Monzo Bank Ltd dealt with his chargeback dispute.

## **What happened**

In November 2022, Mr L bought a couple of items online and paid £63.43 for them with his Monzo Bank credit card. He never received the goods, despite chasing the merchant for them, and so in March 2023 he asked Monzo Bank to refund him. The bank raised a chargeback dispute, and meanwhile it refunded the payment to his account. But the chargeback was unsuccessful, and in May the payment was re-debited from Mr L's account. This resulted in an unauthorised overdraft, which he did not pay, and so in August the bank closed his account.

Meanwhile, in June, Mr L brought this complaint to our service, because the bank had failed to deal with his complaint about the outcome of the chargeback dispute within the allotted time. (The bank did however pay him £50 for some customer service issues.)

Monzo Bank told our investigator that in April it had asked Mr L to confirm that he had still not received the goods, because the merchant had defended the dispute. Mr L had not replied, and so the bank said it had had no choice but to decline the chargeback. It had given him 14 days' notice that it was going to re-debit the payment. Our investigator accepted that explanation, and so she did not uphold Mr L's complaint.

Mr L said this wasn't fair, for a couple of reasons. Firstly, he had not seen the bank's question in April, because it had been sent to him in the bank's mobile app, and he had been expecting an email. Secondly, because whatever the chargeback process says, he had been a victim of a scam, because he had paid for goods which he had never received.

Our investigator was not moved by those arguments. She said Monzo was an app-based bank, and so it used the app as its primary way of communicating with its customers. It hadn't known that Mr L preferred email, and he hadn't asked it to contact him in that way. She also pointed out that Mr L had raised the chargeback dispute via the app, so it had not been unreasonable of the bank to assume that it could use the app to get in touch with him. On Mr L's second point, she said that whatever the merchant had done, the bank had no choice but to deal with his claim according to the chargeback rules, which had required it to confirm that he had still not received the goods; on receiving no response, there had been nothing else the bank could do to take his dispute further. She said that Mr L had raised chargeback disputes before, so he presumably knew the process.

Mr L asked for an ombudsman's decision. He reiterated that the app is not the only way to communicate, and he prefers to use email. And he was the victim of a fraud, so it wasn't fair that he didn't get his money back.

## **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 do not uphold it. I will explain why.

My remit here is not actually to decide whether Mr L was the victim of a scam (although I expect he was). Rather, my role is to assess how Monzo Bank dealt with his chargeback dispute. Monzo Bank does not decide the outcome of chargeback disputes itself; rather, it has to follow the process set out in rules made by the card scheme operator. If it does not follow those rules, then the claim fails.

The merchant defended the claim, so the chargeback rules required Monzo Bank to ask Mr L if he had still not received the goods, even if the answer was no different to what he had told them before. On receiving no answer, there was nothing else that Monzo Bank could do but to abandon the dispute. That was the only possible outcome in those circumstances, even if Mr L was ripped off by the merchant.

I don't think it was unreasonable of Monzo Bank to communicate with Mr L through the app, instead of by email. As has been said already, its banking services are provided through an app-based platform, and Mr L first raised his chargeback dispute via the app, so it would not have been obvious to the bank that he was not actually looking at the app for its messages. So I do not accept the argument that the bank was in some way responsible for the fact that Mr L missed its message to him in April 2023, with the result that his claim was declined.

Finally, the bank was not responsible for the fact that Mr L's account was overdrawn for three months. (However, I will not make any finding about the decision to close his account, as he has not actually complained about that.)

In one of his emails to our investigator, Mr L said it is not fair to expect a man in his sixties to use the app all the time. But since that is Monzo Bank's business model, I would suggest that Mr L should consider looking for a bank which better suits his needs; this one is probably not for him.

In case it is any consolation to him, Mr L has been paid £50 because the bank took too long to respond to him during his complaint. That is about 79% of what he paid for the goods.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 April 2024.

Richard Wood  
**Ombudsman**