

The complaint

Miss W complains Monzo Bank Ltd have refused to refund over 50 payments made via her Monzo Flex account. She also complains having cancelled her metal Monzo Premium payment card because of these transactions, Monzo charged her £50 for a replacement card.

What happened

Miss W explained over 50 unauthorised payments totalling over £4,000 were made from her Monzo Flex account between December 2022 and July 2023. These payments were made using Miss W's genuine Monzo Premium account card and PIN, then transferred or 'flexed' to her Flex account.

Miss W said she remembered getting a card for her Flex account and using it online four or five times but lost it sometime after that. Miss W said she thought the fraudulent transactions had been made on her Premium card then pushed over to her Flex card to be '*covered up*'. She explained she recognises a few early payments on her Flex account, but then disputes all transactions after these. Miss W also explained she had sadly been unwell and in hospital for a period of time during when the transactions occurred.

We asked Miss W if anyone else had access to her Monzo accounts, knew her PIN, had access to her mobile phone or if she had authorised anyone else to use her accounts. She said she had not provided her PIN to anyone, she still had the card in her possession and her mobile phone was password protected with no one else having access to it.

Monzo issued a final response letter to Miss W explaining it was unable to uphold Miss W's complaint. Monzo said Miss W, or someone Miss W had authorised, had transferred payments to her Flex account from her Premium account. Monzo explained and provided evidence there was only one mobile device active on Miss W's accounts and concluded no one else could have made these payments and transfers.

Monzo also explained it only charges £50 for a replacement metal card, this is clear in the terms and conditions (T&Cs) and is to cover the higher cost of producing such cards. Customers do not have to have this card and can opt for a free plastic card instead.

Our investigator thought Miss W had authorised the transactions. They explained many of the payments had been made by chip and PIN and the Flex transactions could only have happened via Miss W's password protected trusted mobile phone. They also thought the pattern of transactions was not consistent with fraud.

Miss W rejected our investigator's recommendation, therefore her complaint has been passed to me to make 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.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

I appreciate how strongly Miss W feels about his complaint and I was very sorry to hear about her health conditions.

I would like to assure Miss W although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

The first matter I will consider is the cost of replacing Miss W's metal Premium card. Monzo's T&Cs clearly explain the metal card Miss W had was an enhanced opt-in benefit of Miss W's Monzo account. The T&Cs explain it will charge for a replacement metal card in most circumstances even if the card is lost or stolen. Miss W had the option of having a plastic card which would have not incurred this cost and the contact logs show this was explained and offered to Miss W.

As this type of card is an enhanced, paid-for feature of her Monzo account, with the costs explained in the T&Cs of the account which she agreed to, I have decided I cannot uphold this part of Miss W's complaint. Miss W openly opted into these terms and conditions, which I think are fair and reasonable as it is a paid-for benefit the customer does not have to have. Miss W could have chosen to have a free plastic card instead, effectively, it is her choice to have this enhanced benefit and for these reasons I cannot uphold her complaint in the circumstances outlined.

Now turning to the disputed payments. The relevant regulations here are the Payment Services Regulations 2017 (PSRs). 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. The issue for me to determine is whether it was more likely than not that Miss W carried out the transactions herself or authorised someone else to carry out the transactions for her, as this would also be considered as carrying out the transactions herself.

Miss W's Monzo has an option where purchases on the Premium card linked to a bank account can be 'flexed' to a credit account, so payments can be spread over a period of time should the customer wish to. The flex option is effectively paying for items with your debit card, then having the option to transfer these payments over to a separate credit facility. This is done using the Monzo app. It is also possible to have a credit card issued for the Flex account which can be used as a normal credit card.

I have considered the series of payments Miss W is disputing. Monzo has provided evidence these payments were made by the contactless facility on the card and by chip and PIN. The card used for these transactions was Miss W's Premium card. The evidence shows these payments were then transferred over to her flex account using the app on her verified mobile phone.

Miss W has told our service no-one else had access to her Premium card, knew her PIN or had access her mobile phone during this period, explaining her mobile phone was password protected with no-one else knowing the password.

I have carefully considered the payments made during the period in question and compared them with her statement history. Many of these payments are to retailers and companies Miss W has previously made undisputed payments to from her Monzo account. I have also examined the payments and can see the majority of purchases made were local to Miss W.

Looking at the transactions wholistically, I also note they are spread over several months, a relatively significant period of time, for mostly small amounts. I think this pattern of spending is inconsistent with fraud. For context, fraud often involved withdrawing, spending or transferring as much as possible as quickly as possible to maximise funds before the fraud is detected. For these reasons, I am not persuaded the pattern Miss W has complained about is consistent with fraud

I am also minded these transactions were visible to Miss W on her personal Monzo account statement during this extended period of several months, albeit I appreciate she was unwell

for some of the period in question. Payments regularly went out of her Monzo Premium account to pay the Flex account debits, these payments were shown clearly on the statements alongside the flex transfers on Miss W's personal account.

For these reasons and because Miss W still had the Premium card used for these transactions in her possession, I cannot identify any compromise of Miss W's Monzo account, or see how these transactions could have been made by anyone else.

I was very sorry to hear Miss W has had a significant period of ill health and has explained she struggled to communicate due to this illness for a period of time. I also appreciate Miss W has explained she was in hospital during when some of these transactions were made. In early July 2024 I asked Miss W to provide evidence to support she was in hospital when some of the transactions were made. Despite extending the deadline for this information, I have not received any evidence from Miss W to support this.

To conclude, I have carefully considered all of the evidence provided by both Monzo and Miss W when making my final decision on this complaint. Having done so I am not persuaded there is sufficient evidence to suggest these transactions were not authorised by Miss W. I am of the opinion, on balance, it is more likely than not Miss W did authorise these transactions for the reasons I have given above.

I appreciate this will be disappointing for Miss W, but I trust I have explained my reasoning and provided enough detail in my decision to explain why I cannot reach a decision that Monzo should refund these payments.

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 W to accept or reject my decision before 2 October 2024.

Gareth Jones
Ombudsman