

## **The complaint**

Mr R is unhappy that Monzo Bank Ltd blocked a payment he'd told them in advance that he was going to make.

## **What happened**

On 24 February 2024, Mr R travelled from his home in the north of England to London to buy a car. At approximately 12:25, Mr R sent a message to Monzo in their online chat facility explaining that he was going to make a large transaction later that afternoon and asking Monzo not to block that transaction for any further checks.

However, when Mr R arrived in London and tried to pay for the car, Monzo didn't allow the transaction to complete. Mr R wasn't happy about this, and he also wasn't happy that Monzo didn't allow the transaction to complete for several hours. So, he raised a complaint.

Monzo responded to Mr R but didn't feel that they'd done anything wrong by administering Mr R's account as they had. Mr R wasn't satisfied with Monzo's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But while they acknowledged Mr R's frustration at what had happened, they didn't feel that Monzo had acted unfairly. Mr R remained dissatisfied, so the matter was escalated 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.

Fraud prevention systems are used by all financial institutions to flag account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring. Indeed, it must be noted that financial institutions such as Monzo have an obligation to employ such systems in order to comply with banking regulations which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud.

Additionally, it's incumbent on banks to employ these systems with a degree of vigilance – to err on the side of caution, as it were – which unfortunately means that there will be instances where legitimately authorised transfers are flagged erroneously by the fraud prevention systems. And it seems that this is what happened in this instance.

I'm aware that Mr R feels that because he notified Monzo in advance that he would be buying the car, that Monzo shouldn't have blocked the payment. But Mr R sent his notice to Monzo via their online chat function, which Mr R has used many times previously (Monzo have provided online chat transcripts for Mr R dating back to February 2020) and which I therefore feel that Mr R should reasonably have been aware isn't a live service.

Indeed, while Mr R sent first sent notice to Monzo via their online chat at 12:25, he didn't receive a response from a live agent until 13:50, and that was simply the agent asking Mr R if he'd already made the transaction. Mr R replied shortly afterwards that he hadn't but that he would be making it soon and that it would be in the region of £5,500. But there was then a further delay until 14:35, when Monzo's agent thanked Mr R for letting them know about his intention to make the payment.

This 14:35 response by Monzo's agent was undoubtedly poor and missed the opportunity to provide Mr R with some important information. This should have included that it isn't possible to pre-authorise a transaction meaning that the attempted purchase might still be flagged by Monzo's fraud prevention systems for further checks, and that it can take up to 48 hours to authorise and release a flagged transaction.

However, this information could only have been given to Mr R by Monzo via the online chat service at around 14:35. And given that Mr R attempted to buy the car, while at the garage in London, at approximately 15:50, it seems clear that at 14:35, Mr R would either have already been in London already or close to arriving there, such that it would have been too late for him to have made any alternative arrangements in light of that information at that time.

Ultimately, I don't feel it was reasonable for Mr R to believe that he could effectively notify Monzo of his intention to purchase the car as close to the purchase point as he did via the online chat. And I feel that if Mr R had called Monzo before departing for London – for instance, using the freephone telephone number provided by Monzo on the 'contact us' section of their website – that it's likely that he would have received the important information about his inability to pre-authorise a transaction before he left his home and therefore at a time when he could have potentially made alternative arrangements.

Mr R is also unhappy with the time it took Monzo to complete the further checks they required on the transaction and to allow it to complete, which didn't happen until around 19:40, almost four hours after Mr R first attempted the payment.

I can appreciate Mr R's frustration in this regard. But Monzo's fraud team had an influx of flagged transactions to review on that day. Monzo did mark Mr R's transaction as a priority, but other cases of similar priority, relating to other flagged transactions that had occurred before Mr R's, were fairly worked by Monzo's fraud team in advance of Mr R's transaction review. This was unfortunate for Mr R, but I don't feel that it was unfair.

Additionally, as discussed above, I feel that Mr R could and reasonably should have mitigated against when happened here by discussing his plans with Monzo directly, rather than by online chat, which I feel would most likely have resulted in Mr R being informed of Monzo's 48-hour timeframe to authorise flagged payments. And I also note from Mr R's historical online chat transcripts that he had experienced flagged transactions before, most recently when he was unable to pay for fuel at a petrol station, such that he was aware that Monzo's review and authorisation of a flagged transaction could take some time.

Finally, Mr R is unhappy that one of Monzo's agents indicated to him that the purchase would be authorised within the next twenty minutes, when in fact it took a further hour and three quarters. Again, I can appreciate Mr R's dissatisfaction here. But having listened to the call, it's clear that Monzo's agent was trying to move things forward for Mr R as quickly as they could, and that they said that things 'should' be resolved within twenty minutes. And, while it did take longer than Monzo's agent anticipated to resolve the situation, I don't feel that it would be fair for me to censure Monzo because their agent tried to help Mr R in the manner that they did.

All of which isn't to say that Mr R wasn't frustrated and inconvenienced by what happened here, and I acknowledge that he was. But it doesn't necessarily follow that because Mr R was frustrated and inconvenienced that he was treated unfairly. And I feel that because Monzo acted with the security of Mr R's account in mind, what happened here was an unfortunate but necessary consequence of modern banking practices. And, to reiterate, I also feel that Mr R could have mitigated against the frustration and inconvenience he incurred by discussing his intentions with Monzo directly and in advance.

All of which means that I don't feel that Monzo have acted unfairly here as Mr R contends. And it follows from this that I won't be upholding this complaint or instructing Monzo to take any further or alternative action.

I realise this won't be the outcome Mr R was wanting. But I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

### **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 Mr R to accept or reject my decision before 18 June 2024.

Paul Cooper  
**Ombudsman**