

The complaint

Mrs O has complained that Monzo Bank Ltd won't refund transactions she says she didn't make or otherwise authorise.

What happened

In spring 2023, several payments were made using Mrs O's Monzo card, via the Apple Pay and Google Pay tokens registered to her phone. They were made about two weeks apart, to foreign merchants, and totalled around £260.

Mrs O says she didn't make these payments. She said she'd not approved the tokens or been asked to approve them, she'd never allowed anyone else to use her card for Apple or Google Pay, she hadn't lost her card, she'd had her phone in her possession the whole time, she never let anyone else use her phone, she never shared her security details, she hadn't received any suspicious calls or texts, and she didn't recall clicking any suspicious links or downloading any new software.

Monzo held Mrs O liable for the payments in dispute. They said they'd been made using her phone, which was the only registered device on the account, along with her security details, which it appeared only she knew.

Our investigator looked into things independently and didn't uphold the complaint. Mrs O didn't agree, so the complaint's 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.

Broadly speaking, Monzo can hold Mrs O liable for the payments in dispute if the evidence suggests that she authorised them.

Based on Monzo's technical evidence, the payments in dispute used Mrs O's genuine card details, registered to Apple Pay and Google Pay tokens via her phone. So I think these transactions were properly authenticated. The question, then, is whether the evidence suggests that it's most likely Mrs O consented to them or not.

The Apple Pay and Google Pay tokens were registered using Mrs O's full card details, and approved using her security details on her Monzo app on her phone, which was the only device registered to the account. She was texted to confirm the tokens were set up.

Mrs O hadn't lost her card. And before the disputed payments started, Mrs O had not entered her card details for any payments yet – at that point, her payments had all been made in person or via bank transfers, direct debits and so on. So there doesn't seem to be a likely or plausible way someone could've learned her card details without her permission. It's similarly unclear how someone could've known Mrs O's security details without her consent.

Most importantly, as I mentioned above, Mrs O's phone was the only device which was ever registered to this account. And her phone was used to facilitate the disputed payments. But Mrs O never lost her phone, her phone had protective functions in place like her biometrics, and no one else had access to it. So there doesn't seem to be a likely or plausible way that it was used without her permission.

Further, the Apple Pay and Google Pay tokens were set up using genuine IP addresses of Mrs O's – the same IP addresses she used for her other genuine activity. And Mrs O accessed her Monzo app at the time of each disputed payment, on her registered phone, again from genuine IP addresses.

Notifications were sent to Mrs O when the disputed Apple Pay and Google Pay tokens were set up. But she didn't tell Monzo anything was wrong at the time – she only got in touch after the disputed payments went out some time later. It seems unlikely that Mrs O would not report the disputed tokens if they were set up without her consent.

Mrs O argued that Google Pay could not be set up on her phone. But I'm afraid she was misadvised. While Google Pay cannot be used for contactless in-person payments on her type of phone, it is otherwise available and compatible with her phone, and can be used for online e-commerce payments to merchants – like the ones it was used for here. And from the evidence at hand, I'm satisfied that Google Pay was set up using Mrs O's phone.

In summary, the disputed payments were made using Mrs O's genuine phone, card details, security details, and IP addresses. There does not seem to be a likely or plausible way that they could've been made without her permission. The only likely possibility remaining is that Mrs O made the payments or gave someone else permission to make them by approving the tokens – even if perhaps she didn't realise that's what she was doing at the time. But that means it's fair for Monzo to decline a fund in this case. This is a difficult message for me to give, and I know it's a difficult message for Mrs O to receive. But given the evidence I have, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

For the reasons I've explained, I don't uphold Mrs O's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 30 January 2024.

Adam Charles
Ombudsman