

## The complaint

Ms M complains that Monzo Bank Ltd won't refund money she lost, which she believes was as the result of a scam.

## What happened

Based on the submissions of both parties, I understand the background to be as follows.

Ms M was looking to get some negative links removed from the internet. She had made attempts to do this herself, but had been unsuccessful and so located a company online and contacted them about removing the links.

Ms M has said she discussed her needs with the company who gave her a price for the work and it told her it would be able to remove the links. Ms M agreed for the work to be done and went ahead and made three payments to the company, from her Monzo account, totalling £10,700. A breakdown of the payments is below;

14 April 2020	£8,100.00
14 April 2020	£1,600.00
16 April 2020	£1,000.00

Ms M also received another request for a payment for £2,140, which the company has said was for VAT, that they had excluded from the cost in error. But I've not seen any evidence to suggest this payment was made from Ms M's Monzo account.

The company emailed Ms M confirming the agreement for 13 negative links to be removed. However, Ms M later received a communication from the company that showed they had tried, but not been able to remove the links. The email included an attachment from a well-known search engine company explaining why the links couldn't be removed. Ms M says the response was no different to what she had received, when she had previously attempted to remove the links herself. She said the company had told her they had legal ways of removing content, but had just used the same method to try and remove them as she'd done herself for free.

Ms M contacted the company and asked for her money back, as she said she hadn't received the service she had paid for. On not receiving a response, Ms M contacted the company again and said she would send the invoice she'd received onto HMRC as it didn't include a VAT registration number. Following this Ms M received a response from the company – it provided its VAT registration number and confirmed that the links couldn't be removed. It informed Ms M that it considered the matter closed.

Ms M then contacted Monzo to raise her concerns. Monzo went on to consider its obligations to provide Ms M with a refund. Monzo has committed to follow the Lending Standards Board Contingent Reimbursement Model (CRM) Code, despite not being a signatory of it. The CRM Code requires firms to reimburse customers who have been the victims of APP scams in all but a limited number of circumstances. Monzo says one or more of those exceptions applies in this case.

Monzo issued its final response to Ms M on 7 June 2020, not upholding Ms M's complaint. It said while it understood Ms M's upset and it was sorry for the predicament she was in, it deemed the matter to be a civil dispute between Ms M and the company. Adding that it wouldn't be able to treat this payment as a scam.

Ms M then brought her complaint to our service and one of our investigators looked into things. Our investigator didn't uphold Ms M's complaint, as he considered this was a dispute between Ms M and the company who she had made the payments to.

Ms M didn't agree with the investigator's opinion. In summary, she didn't agree that this wasn't a scam. Ms M maintained that she'd paid for a legal service and the company hadn't done, and didn't have any intention, of doing what she'd paid for.

As agreement couldn't be reached the complaint has now been passed to me for a 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought very carefully about Monzo's actions, I'm not intending to uphold Ms M's complaint. I do appreciate how disappointing this will be for her, but I don't think I can fairly say Monzo should reimburse her. I'll explain why.

I'm sorry to hear of what's happened to Ms M, and I can understand entirely why she feels so strongly that her money should be returned to her. It's understandable for such a significant sum why Ms M feels she has been the victim of a scam. But not all cases where individuals have lost significant sums are in fact fraudulent and/or a scam.

When considering what is fair and reasonable in this case, I've also thought about the Lending Standards Board's voluntary Contingent Reimbursement Model, which Monzo has committed to follow and which was in force at the time Ms M made the payments.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. I've thought about if the CRM code applies in the circumstances of the payments Ms M made and, in particular, whether Monzo ought to reimburse her under the provisions of the CRM Code. But the CRM Code is quite explicit that it doesn't apply to all push payments. It says:

*"DS2(2) This code does not apply to:*

*(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”*

Subsections (a) and (c) have been omitted as they are not relevant to this complaint.

Both the bank and our investigator felt the payments Ms M made formed part of a civil dispute and, as such, is not covered by the CRM Code. Ms M strongly disagrees. She feels the company she paid set out with the intention to scam her.

After taking everything into careful consideration, so the testimony and evidence provided by both parties, I've not seen anything that I can safely say meets the high legal threshold and burden of proof for fraud.

I've seen that the company Ms M paid is a registered limited company, which was incorporated in 2017 and whose principle activity is computer facilities management. Alongside this, the VAT registration number, it provided Ms M, also appears to be legitimately registered to the company. I'm also mindful that, while it was unable to remove the links, it seems that the company did make an attempt to and kept Ms M informed, which are not the typical hallmarks of a company who set out with the intent to defraud.

It's clear the agreement Ms M entered into with the company did not go as planned and she has not received what she was expecting. And I can understand entirely why she feels so strongly about what has happened. But I can't safely say with any certainty, that the company set out with an intent to defraud her.

Rather, this appears to be a case of a legitimate company that hasn't satisfied a customer with the service it has provided. So, on balance, taking into account everything that's been said and provided, I can't fairly conclude that Ms M has been a victim of a scam or that the company she made her payments to were operating fraudulently.

This being the case I'm satisfied the CRM Code doesn't apply. And I can't fairly ask Monzo to refund the money Ms M has lost, as I don't think Monzo treated Ms M unfairly when it said the payment she made was not covered by the CRM Code. And I don't think there was anything else Monzo could have done to prevent her loss.

I realise that my decision will be disappointing for Ms M and I don't underestimate the impact this matter has had on her. But overall, for the reasons I've explained I can't fairly or reasonably ask Monzo to refund the money Ms M has lost.

I can see Ms M has mentioned that she is considering taking this matter through the courts. Ms M doesn't have to accept my final decision, and if she doesn't it won't be binding on her. Subject to any time limits or other restrictions a court might impose, Ms M's right to pursue a legal remedy won't have been prejudiced by our consideration of this complaint.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold Ms M's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 21 October 2021.

Stephen Wise  
**Ombudsman**

