

## The complaint

Miss T is unhappy that Monzo Bank Ltd won't refund payments she didn't authorise.

## What happened

On 16 July 2020, Miss T received a text that appeared to be from Monzo telling her to expect a call about suspicious activity on her account. She later received this call and has recalled that:

- They went through transactions that she did and didn't make.
- She was asked for her PIN to verify her identity.
- They asked her to move money from a different account to her Monzo account, so they could transfer it back to see if the account was OK or if she needed a new one.
- She was told to delete her Monzo app and check back in later, so her account could be secured.

The next day, Miss T reported that money had been taken from her account. Monzo declined to refund this because they didn't think she'd done enough to keep her PIN safe.

The complaint has come to me for a final decision. For ease, I've included a timeline of the relevant events from 16 July:

5.25pm	Miss T was sent the text that appeared to be from Monzo.
5.40pm	Monzo sent an email to Miss T, with a link to log into her Monzo account.
5.41pm	The log-in email was forwarded from Miss T's email account to a 'monzoteam' address.
5.42pm	An iOS device was used to access Miss T's Monzo account.
5.43pm	An Android device was used to access Miss T's Monzo account, which continued until 5.50pm.
5.43pm	Miss T's screenshot of an incoming call from 'No Caller ID'
5.46pm	A faster payment was sent to a third party for £360.
5.48pm	£1 was received from Miss T's account with another bank.
5.48pm	£400 was received from Miss T's account with another bank.
5.49pm	£1 was sent to Miss T's account with another bank.

5.49pm	A faster payment was sent to a third party for £400.
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## **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.

### *How the scam unfolded*

Before I come to the key considerations that apply to this case, I've noted Monzo's concerns and confusion with how this scam unfolded. It appears these boil down to two things: how the email with the log-in link was forwarded to the fraudsters; and how this was sent before the call with the fraudster.

I can't say for certain what happened. But all civil disputes, like this one, are decided on the balance of probabilities. In other words, what's more likely than not to have happened.

Miss T denied sharing any log-in emails. But there were two emails stored in her 'trash': one from Monzo with the link and another from Miss T to 'monzoteam@consultant.com' that forwarded Monzo's email.

I'm not persuaded someone hacked Miss T's email account. The screenshots provided don't show that anyone else had access. And if they did, they wouldn't have needed to forward Monzo's email. They could've just clicked on the link. So I think it's more likely than not that Miss T forwarded Monzo's email to the fraudster.

Monzo are concerned she tried to hide this from them. I share their concerns. But I'm mindful that victims of scams aren't always entirely open with what happened – often down to embarrassment. And here, even treating Miss T's testimony with caution, there's evidence to support what she's said. We've screenshots of the spoofed text message and call; an email shared to someone purporting to be Monzo, at an address that's been used in other scams; and funds went to an account which was emptied straightaway. So I'm satisfied that Miss T was a victim of a scam. And I think this came about because she was trying to show what happened in a better light.

Monzo have also questioned how the email link was sent before the call took place. Our investigator set out why they thought there was another call before, and I broadly agree with those reasons. Miss T recalled getting a call five minutes later, whereas the record we have is nearly 20 minutes later. While the screenshot looks like there was one call, my understanding is that multiple calls wouldn't appear when the number is withheld – that would be a separate record.

In saying that, I appreciate Miss T said there was just one call. But I also note that Monzo didn't probe her on this. And I'm satisfied this is a plausible, persuasive explanation. The flip side is that there wasn't a call and Miss T has engineered a situation to make it look like she was scammed. I accept it's possible, but given the rest of the evidence I've described, I'm not persuaded that it's more likely.

I've kept these points in mind while deciding the case.

### *Did Miss T authorise the transactions?*

In line with the Payment Service Regulations 2017 (PSRs), Miss T isn't liable for payments she didn't authorise, unless she failed with intent or gross negligence to comply with the terms of the account or keep their personalised security details safe.

I've considered whether Miss T authorised these transactions – and so, in line with the PSRs, whether she gave her consent to make the payments, using the form and procedure that was agreed with Monzo. Or, whether she gave someone else permission to consent to these payments on their behalf.

I've reviewed the account's terms and conditions to see how it was agreed for payments to be made. For those in place at the time, there's a link '*how to make different payments*'. This link says that to send money, you need to tap the 'Payments' icon in the menu bar – and that you'll need the recipient's name, their account number and their sort code.

I've thought about whether Miss T took any of these steps. Miss T explained she has an iPhone, which matches Monzo's data of the device that was used before this happened. Whereas the payments made on 16 July came from an Android device that hadn't been used before.

So I'm not satisfied that Miss T used the form and procedure that was agreed to consent to the payments.

I'm also not satisfied she gave permission for someone else to consent to the payments on her behalf. In saying that, I've thought carefully about Miss T's recollection that she had to send money from another account to her Monzo account, which they'd send back to check everything was OK. But I'm not persuaded that meant she understood and, therefore, allowed someone else to access her account and make faster payments using the form and procedure I've set out. Instead, it seems this was a ploy to get her to top up her account and she thought money would be returned internally by her bank.

So, in all, I don't think Miss T used the form and procedure to consent to these payments, and I don't think she gave someone else permission to consent to payments on her behalf. It follows that the payments were unauthorised.

*Did Miss T fail with intent or gross negligence to keep her personalised security details safe or the*

I don't think Miss T intentionally failed to keep her details safe. I accept that what she was doing was because she'd been alerted to suspicious activity on her account.

I'm also not satisfied Miss T failed with gross negligence. She received a text that appeared to be from Monzo alerting her to suspicious activity on her account and to expect a call. So when she received that call, I can see how she felt comfortable that she was speaking with her bank. Particularly as it seems that they knew details about her and went through a process – checking what transactions she made – that felt familiar to her.

As part of verifying her, they asked for her PIN. Miss T said this didn't alarm her at the time because the PIN is what Monzo generally use for security – they don't have other things like passwords or memorable information. So, in the moment, I can see how she thought that it was part of telephone security. Alongside her trust in who she was speaking to, I don't think it meant she fell *far below* what a reasonable person would've done.

I've set out earlier in the decision why I think Miss T did forward Monzo's email with the log-in link. Because Miss T has denied this, it's difficult to know what happened. But we know

from the text message that the premise of the scam related to suspicious activity on the account. And our experience dealing with similar scams shows that victims are often coached into sharing information for 'verification' or as part of 'protecting' their account. I think it's likely that's what happened here. And given the circumstances – that Miss T believed this was her genuine bank trying to help her and that her account wasn't secure – I can see why she followed their instructions. I'm not persuaded she was *significantly* careless for doing so.

In saying this, I've seen there's a warning in the email not to share it with anyone, including Monzo. But it looks like Miss T was acting quickly – the email was forwarded one minute after it was received. So I can see how she may have missed this – and focused more on the instructions she was given from someone she thought was trying to help. I don't think it meant Miss T *seriously* disregarded an *obvious* risk. Indeed, we've seen many others who have acted in the same way she did.

Monzo have also highlighted the length of the call, and that they don't think it's long enough to establish trust. I've explained why I think there was another call. But even if I thought differently, I'm not convinced it would change things. Afterall, a key component of Miss T's trust rested on how the fraudsters cleverly sent a text message that looked legitimate telling her to expect a call. That meant this wasn't a cold call in Miss T's eyes, which might have raised more suspicion – and that the caller was working from a position of trust, as opposed to having to build it.

Taking this all into account, I don't think Miss T failed with *gross* negligence. So, in line with the PSRs, I conclude that she isn't liable for the transactions.

### **Putting things right**

In deciding how to put things right, I have reflected on my concerns that Miss T wasn't as open as she ought to have been with Monzo about how this unfolded – and whether that should impact the money that is returned. But my findings have explained that, even if she'd been forthcoming with the details, I'm persuaded she wouldn't be liable under the PSRs. So I don't think it's led to her gaining anything she wouldn't have otherwise fairly been entitled to. It follows that it's not changed my award to reimburse the transactions.

Monzo should, therefore, refund the disputed transactions (totalling £760) less any amount recovered. It should add 8% simple interest per year on this amount from the date of loss to the date of settlement (less any tax lawfully deductible).

Miss T said she took out a payday loan because of these losses, but she's not provided further details. So I'm satisfied that 8% interest is a fair way to compensate Miss T for the time she's been out of pocket.

Monzo should've refunded this sooner, which meant Miss T was very stressed and worried about how she'd afford to live. Although I acknowledge that Monzo's investigation was made harder by Miss T's responses. Taking this all into account, I think Monzo should also pay £100 to reflect her non-financial losses.

Monzo also offered to refund £4, the balance of Miss T's account when it was closed, plus £25 for not doing it sooner. Miss T didn't bring a complaint about this to our service, so it doesn't form part of my award. Miss T should contact Monzo separately if she wishes to pursue that.

**My final decision**

For the reasons I've explained, I uphold Miss T's complaint. Monzo Bank Ltd must settle the complaint in the way I've set out under 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 12 May 2022.

Emma Szkolar  
**Ombudsman**