DRN-3229161

Financial Ombudsman Service

The complaint

Ms A complains that Monzo Bank Ltd ("Monzo") have failed to refund money she lost as part of a cryptocurrency scam.

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator and have decided not to uphold it for the following reasons:

- It isn't in dispute that Ms A authorised the payments of £267.43 on 16 July 2021 and £256.13 on 13 August 2021 to Cypto.com using her Monzo debit card (where her money was subsequently transferred on to the scammers from her crypto wallet). The payments were requested by her using her legitimate security credentials provided by Monzo, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

- However, I've considered whether Monzo should have done more to prevent Ms A from falling victim to the scam. There are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character for her. However, having taken Ms A's account activity and payment history into account, I do not think the payments she is disputing *were* particularly unusual for her at the time.

- The payments were not of such a large amount that they would appear unusual in comparison with her spending history, for example, such that they ought to have been regarded as suspicious or indicating that she might have been at risk of falling for a scam. There was also nothing else to indicate that Ms A was in the process of being scammed. So, I don't think Monzo can fairly be held liable for Ms A's loss here as I'm not persuaded there was any obligation on them to intervene or prevent the payments in these circumstances.

- I've also thought about whether Monzo could have done more to recover the funds after Ms A reported the fraud, as in some circumstances the money can be recovered via the bank raising a chargeback dispute. However, in these circumstances, Ms A used her debit card to pay a legitimate company (Crypto.com) before the funds were subsequently transferred on to the scammer. So, she wouldn't be able to make a successful chargeback claim in these circumstances because the company she paid had provided the services as intended (i.e. the purchase of cryptocurrency). Therefore, I do not think Monzo were under any obligation to raise a chargeback for Ms A either.

I appreciate this will likely come as a disappointment to Ms A, and I'm sorry to hear she has been the victim of a cruel scam. However, in the circumstances, I do not consider it would be fair and reasonable to hold Monzo liable for her loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 19 May 2022.

Jack Ferris
Ombudsman