The complaint and what happened

Mr A complains Monzo Bank Ltd won't reimburse money he lost as a result of scam.

The full details of this complaint are well known to both parties, so I won't repeat them here. Instead, I'll recap the key points and focus on giving reasons for my decision:

- Mr A received a call from OBTFX offering an investment opportunity. He was persuaded to invest, and between 11 August and 18 August 2020, he invested nearly £3,500. He invested via Cryptonet.exchange, a cryptocurrency exchange. In September 2020, he received back £212, so his total loss is £3,279 (the investigator mistakenly listed the credit as a debit in their view).
- Mr A realised he'd been scammed when he couldn't access his account, and calls and emails not responded to. Although he was later contacted to say the website had been under maintenance and the business had changed name, when asked for more money, Mr A was suspicious. And so he raised a chargeback through Monzo.
- It declined the chargeback as there were no chargeback rights under Mastercard's scheme.
- Our investigator didn't uphold Mr A's complaint. She was satisfied there were no chargeback rights, and she didn't think the payments were unusual such that they ought to have triggered Monzo's security systems.
- Mr A has asked for an ombudsman's decision. In doing so, he's cited the Banking Protocol, the BSI:PAS 17271:2017 code of practice and what's known as the Quincecare duty – deriving from the Barclays Bank plc V Quincecare Ltd judgment.

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.

I would like to reassure the parties that although I have only set out the key points of the complaint, I have read and considered what's been provided. Having done so, I agree with the conclusions reached by the investigator, for the following reasons:

- Under regulations and in accordance with general banking terms and conditions, bank should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payments rests with the payer, even where they are duped into making that payment. There is no dispute that Mr A made the payments, and so they were authorised.
- The investigator is right that there are no chargeback rights under Mastercard's scheme for the payments Mr A made. The rights in relation to investments are extremely limited and do not cover the allegation made by Mr A. In any event, Mr A didn't pay the scammer directly, but paid through a crypto currency exchange. Once Mr A's money went through the exchange it would be deemed the service had been provided. In that situation a chargeback had no reasonable prospect of success.
- Mr A has cited the Banking Protocol and UK Finance's toolkit. However, those provisions relate to branch transactions and so aren't relevant here. He has also cited BSI:PAS 17271:2017 and the Quincecare judgment. We are aware of this court

case and of the code of practice and are taken into account when reaching our outcomes and decisions. So I have borne these in mind when deciding whether Monzo ought to have done anything more. If it breaches its duty to protect its customers against the risk of fraud and scams, Monzo might be liable for its customers losses.
- I have therefore considered the operation of Mr A’s account. In the months leading up the transactions in dispute, he was making numerous transactions via various different payment methods including by card. He also made international transactions and was making payments to other trading platforms and cryptocurrency exchanges. He also regularly made a monthly payment in the region of £950 and just a matter of days before embarking on this investment opportunity, transferred £3,000 out to a savings account with another provider. I therefore don’t find any of the payments unusual in relation to their size, the largest being just over £1,000. Overall, I don’t find the transactions were so unusual or uncharacteristic that they ought to have triggered Monzo’s fraud alert systems, such that it ought to have intervened and paused payments to question Mr A about them.
- I understand Mr A has lost his savings and its unfortunate he’s fallen victim to a scam. But as I don’t find Monzo ought to have done anything more when executing his payment requests, I find no basis on which to ask it to reimburse Mr A’s losses.

My final decision

For the reasons given, my final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 15 June 2022.

Claire Hopkins
Ombudsman