

## **The complaint**

Mr F complains that Monzo Bank Ltd did not do enough to help him when he fell victim to a scam.

## **What happened**

Mr F wanted to buy tickets for an international football game. He tried to buy tickets from three separate places. Unfortunately, none of the sales were genuine. For two of the ticket purchases, Mr F was ultimately able to sort things out.

The tickets that are at the heart of this dispute were advertised on a social media marketplace by a person in Mr F's local area. Mr F paid by bank transfer from his Monzo account and arranged to meet up so they could transfer the tickets to his app. The seller didn't supply the tickets and didn't refund the £825 Mr F had paid. Mr F contacted Monzo for help. He also contacted Action Fraud and his local Police.

Monzo investigated Mr F's fraud claim and said it was not responsible for refunding the money he'd lost. The bank said it couldn't help any further and suggested that he submitted a fraud report with Action Fraud if he hadn't already done so. Mr F disagreed. He said that Monzo wasn't reading what he'd said as he'd already contacted Action Fraud. He made a complaint.

On 29 July 2021, Monzo issued its first final response letter. It said it had reached the correct outcome on Mr F's fraud claim because he wasn't covered by fraud protection regulations. It said that Mr F didn't take enough steps to check who he was paying and what for.

Mr F referred his complaint to this service. He remained in touch with Monzo and asked if someone from the bank would speak to the Police. He asked the bank for more details about what the fraud protection regulations are. He also asked the bank what was happening with his fraud case and the payment of £825 as he was struggling financially.

Mr F made another complaint about Monzo's level of service. He felt that Monzo was not doing enough to help him given that this was fraud. He asked to close his account.

On 20 August 2021, Monzo issued its second final response letter. It agreed that there had been gaps in the level of service that it had provided. It hadn't answered all of Mr F's questions and didn't give him the right information when it updated him. It paid him £50 compensation for the distress and inconvenience caused.

Whilst the complaint was waiting to be assessed by this service, the receiving bank agreed to refund the full amount Mr F lost. Mr F told us that the fraudster had been taken to court over the incident. Mr F explained that although he was going to be able to get his money back, he felt that Monzo could have dealt with his claim and complaint better than it did.

Our Investigator then looked into the matter and concluded the £50 compensation Monzo had paid was fair. He recognised that Mr F was frustrated but explained that as an app-based bank, it was not surprising that Monzo's primary method of communication was through its chat function rather than by phone.

Mr F disagreed. He pointed out that Monzo had been very slow to respond to him and the Police officer working on the matter. He thought Monzo should have kept him and the Police more updated and provided copies of emails to support this.

As no agreement could be reached, the complaint was referred to me.

#### *My further investigation*

Upon review of the complaint papers, I established that over the course of this dispute, Monzo has issued five final response letters, with the most recent on 31 January 2022. Across the final response letters, Monzo has paid Mr F a total of £140 compensation for the distress and inconvenience it had caused in connection with this situation.

I contacted Monzo to confirm the scope of the dispute. I asked the bank whether it would be willing to be pragmatic and let us consider the situation as a whole without breaking it down into individual complaints. I asked the bank about its timescale for returning the funds after they had been returned by the receiving bank. Monzo suggested its normal timeframe was between two and four weeks because of the internal processes and procedures it has to adhere to.

I also contacted Mr F to confirm that he'd already been paid more compensation than our Investigator had discussed with him.

In summary, Mr F responded to say that the service he had received from Monzo when he made his scam claim had been terrible. He explained the Police told him that the receiving bank would refund the money, but he needed to contact Monzo and tell them to re-open the case as the money would be sent to Monzo to then be sent to him. He explains that Monzo initially refused to re-open his closed claim, which made the situation worse. He explains that he was going backwards and forwards and getting nowhere.

Mr F explained that he had been waiting for a refund since July. He didn't consider that £140 was acceptable compensation for the amount of stress, telephone calls and chasing up he's had to do. He said that Monzo should have taken responsibility for this matter in the first place.

#### *My provisional decision*

I issued my provisional decision on 28 July 2022. In it, I explained why I didn't intend to uphold Mr F's complaint. My findings are set out below:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*First, I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. The main issue outstanding in this case is whether the compensation Monzo has already paid is fair and reasonable in the circumstances of this complaint.*

*Mr F hasn't suffered a financial loss as a result of what happened as he's since been able to recover the money he lost from the receiving bank. But Mr F has been clear that he considers Monzo should have refunded him in full right from the very start because he'd been the victim of a scam.*

*There's no dispute here that Mr F has been the victim of a scam. He was tricked into making the payments and didn't receive the tickets in return for his money. But this isn't enough, in and of itself, for Mr F to automatically receive a refund of the money that was lost from the bank.*

*For me to say that Monzo was responsible for reimbursing Mr F, I would need to be satisfied that Monzo ought reasonably to have recognised Mr F was at risk of financial harm from fraud at the time he was making the payments and the bank's failure to intervene caused his loss; or Mr F ought to be reimbursed under the provisions of the Contingent Reimbursement Model (The CRM Code) that Monzo has agreed to adhere to. This means that Monzo has made a commitment to reimburse customers who are victims of authorised push payment scams except in limited circumstances.*

*Monzo considered Mr F's claim. The two payments he made totalling £825 were unremarkable and didn't stand out from his usual spending. So Monzo considered whether it was responsible for refunding Mr F because of any obligation under the CRM Code. But it said Mr F didn't take enough steps to check who he was paying and what for. By making this finding, Monzo was saying that Mr F failed to meet his requisite level of care under the CRM Code for the payments he made. The bank did not think he had a reasonable basis for believing the transaction he was making was legitimate. Whilst Mr F did not agree with that position, Monzo was entitled to make that finding. This means that I don't agree with Mr F that Monzo should have refunded him when he first raised the issue. Nor do I think that Monzo ought to have done more than this, so whilst I appreciate Mr F's position that he was able to provide the bank with the account details of the perpetrator, it was ultimately for law enforcement agencies to take any further action against the criminal.*

*I do recognise that communication between Mr F and Monzo did not go smoothly. Mr F has described the six months of dealing with Monzo about this issue as "utter hell" and I can see why he feels this way.*

*To begin with, they were speaking at cross purposes as Mr F had not appreciated that initially Monzo had done all that it was able to do to assist him. It is clear from Mr F's questions to Monzo's support team about relevant fraud protection regulations and his follow up questions asking what was happening with his fraud case that Mr F did not understand why Monzo was not responsible for refunding him or why the bank did not need to take any further action in relation to this matter.*

*This was not helped by the fact that Monzo's customer service model meant that Mr F was in contact with different agents who continued to discuss matters as they did not always appreciate what had gone on before.*

*As a further complication, Mr F initially had another claim about some of the other tickets he'd try to buy running alongside this one, but the conversations about the two claims took place in the same online chat. By the end of August 2021, Monzo had paid £50 compensation to Mr F to recognise that its customer service had fallen short and Mr F broadly understood that there was nothing further that Monzo could do to help him at that time.*

*Mr F contacted Monzo again in October 2021 as there had been a development with the Police investigation. Mr F explains that the Police told him to contact Monzo and ask for the fraud claim to be re-raised. This was because the receiving bank had said it would refund the money from its own funds, but the request had to come from Monzo so the funds could be returned to Monzo and then on to him from there. It's clear that Mr F became caught in the middle of Monzo, the Police and the receiving bank. He's explained the Police told him they were waiting on Monzo to reply to be able to progress with the court action.*

*The situation Mr F found himself in is unusual. In my experience, it is rare for a Police investigation into a purchase fraud to have enough evidence to proceed to court action and for a receiving bank to then agree to return funds. As such, I can understand why Monzo didn't have specific processes in place for this situation. Whilst it was frustrating for Mr F to try and act as the 'go between' between all of the different parties, I can see why Monzo initially said it was unable to revisit the claim and that it had already done all that it could. I don't think it was unreasonable of Monzo to ask for the Police to get in touch with them to better understand what was happening.*

*Mr F has my sympathies. There's no question that he did a lot of the running to pursue this matter and I don't dispute it was unclear what was happening and whether Monzo or the receiving bank were at fault for the delay. Whilst things did take some time to sort out, I don't agree that this automatically means that someone must have been at fault. We're all inconvenienced at times in our day-to-day lives – and it's not unusual to experience a certain level of frustration and annoyance when dealing with financial businesses.*

*From what I have seen, the receiving bank first requested Monzo's settlement account details on 3 December 2021. Monzo provided the information on the next working day. But when the receiving bank responded, it asked for Monzo to send the details again. Once Monzo had provided the information, there was little further it could do to move things forwards. The bank did try to follow the request up.*

*Mr F was in contact with Monzo every few days throughout December looking for an update on when he might receive the money back. But Monzo was right when it said it was unable to give a set timescale for a response from the receiving bank, which meant there were times when there was no meaningful update that Monzo could give. Ultimately Monzo was waiting on the receiving bank to send the funds back before it could then forward them to Mr F's new account. Monzo had no control over how quickly the receiving bank was able to action the payment. Monzo sent the funds to Mr F on 30 December 2021. Mr F received the money shortly afterwards. From what I've seen, Monzo handled this unusual situation as proactively as it could. I've not seen any evidence to suggest Monzo is responsible for any undue delay.*

*Mr F has strong feelings about this matter, and I do appreciate his position that he was out of pocket and wanted his money back as soon as possible. It's clear that Mr F was annoyed by how the bank's systems and procedures are set up. But our rules only allow me to make an award of compensation for the distress and inconvenience that he's suffered in situations where Monzo did something wrong or has acted unfairly.*

*For the reasons I have explained above, I currently don't agree that Monzo made mistakes or acted unfairly with the steps it took to try and support Mr F in the recovery of his funds from the receiving bank. This means that I cannot fairly and reasonably make an award of further compensation to Mr F.*

*Over the course of this complaint, Monzo agreed with Mr F that there were occasions when its service fell below what he was entitled to expect. It paid £140 compensation to acknowledge the inconvenience he was caused at those times. Looking at everything, I think the steps Monzo has already taken are an appropriate resolution to this complaint.*

*Whilst I acknowledge Mr F's frustration with the unenviable situation he found himself in through no fault of his own, I am ultimately unable to compel Monzo to pay further compensation for the distress and inconvenience caused to him in situations where the bank has not done anything wrong and did not treat him unfairly.*

### **Responses to my provisional decision**

Mr F responded but he did not add any further comments or new points for me to consider.

Monzo said it was happy with the assessment reached and had nothing further to add.

Both parties are now awaiting my final 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, and as neither party has sent any new evidence or arguments for me to consider, I see no reason to depart from the conclusions set out in my provisional decision and reproduced above.

Overall, in all the circumstances, I remain satisfied that Monzo does not need to pay any further compensation to Mr F.

### **My final decision**

My final decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 14 September 2022.

Claire Marsh  
**Ombudsman**