DRN-3574132

The complaint

Mr K complains that when he tried to make a large payment through Monzo Bank Ltd's ("Monzo") banking app he received an alert which read "Stop don't pay". In particular he objects to the phase "It's very likely a scam".

What happened

Following the receipt of an alert on Monzo's banking app when trying to make a payment Mr K called the merchant who he was making the payment to and asked it if they had been charged with fraud before providing it with his payment details and completing the payment over the phone.

Mr K complained as he failed to see how this approach is more secure than the payment via the app and felt that such conversations could have a negative effect on the relationship between the merchant and the customer.

Mr K brought his complaint to us and would like a ruling on the criteria needed for the bank to let customers know they are being scammed.

One of our adjudicators looked into Mr K's concerns and reached the conclusion that Monzo acted fairly by having systems in place which are designed to raise awareness and to prevent their customers being victims of a scam or fraudulent activity.

Overall Mr K understood our adjudicators view but said that their findings do not mention fairness in relation towards the merchant and their brand and requested a final decision on the point.

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 considered everything provided, I've decided to not uphold Mr K's complaint.

It might be helpful for me to say here that, as we are not the regulator, I cannot make the bank change its systems or processes – such as how it checks or determines whether a transaction is fraudulent. Ultimately, how a bank runs its business and the processes it has in place to alleviate risk is a commercial decision and isn't something for me to get involved with. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

My role is to look at the problems Mr K has experienced and see if Monzo has done anything wrong. If it has, I would seek – if possible - to put Mr K back in the position he would've been in if the mistakes hadn't happened. And I may award modest compensation that I think is fair and reasonable.

And while I wouldn't tell a business how or what systems to put in place to check for fraudulent activity – I would expect it to put safeguards in place to protect it and its customers from such activity.

I accept Mr K didn't appreciate receiving the alert when it was regarding a merchant he considered reputable. But receiving the alert didn't stop Mr K from being able to make the transaction – if anything it made him think again about the financial risks before continuing – which I believe would've been the point. And I think this is a perfectly fair and reasonable way to safeguard both Monzo and Mr K's interests. So I can't say Monzo has done anything wrong here.

Mr K asks whether this type of alert is fair to the merchant. But the merchant isn't the one complaining here. My job here is to assess whether Monzo treated Mr K fairly and reasonably in all the circumstances of this complaint and in this case I think it did.
So overall and having considered everything I do not uphold Mr K's complaint.

My final decision

For the reasons I've explained I do not uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 August 2022.

Caroline Davies
Ombudsman