

The complaint

Mrs S complains that Monzo Bank Ltd won't reimburse payments sent from her account which she didn't authorise.

What happened

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

- In July 2021, Mrs S received a WhatsApp message from someone pretending to be Monzo. The message stated that Monzo wanted to help safeguard her account. Mrs S didn't reply to the message and, the next day, she received a phone call in relation to this. When she refused to go through 'verification', the caller warned her that Monzo would block her PIN until the process was completed. Mrs S then received text messages from Monzo informing her that her PIN had been blocked.
- Mrs S tried to phone Monzo but hung up and initiated an 'in-app' chat instead. When she didn't get a reply, Mrs S responded to the WhatsApp message and started the safeguarding process as per instructions. Mrs S received a text message stating that her account had been unblocked, but subsequently she was unable to access the Monzo app. She was told on a WhatsApp message that she'd have access to the app and once the verification process was complete.
- Mrs S phoned Monzo the next morning and learnt that several payments had been made, leaving her account with a minimal balance. She realised that she'd been a victim of fraud and reported this to Monzo. It agreed that the payments weren't authorised by Mrs S, but said that she hadn't acted with reasonable care. Monzo said that Mrs S had shared her personal information, namely her card details and PIN, and the email containing the login link. Monzo didn't reimburse the payments but paid £15 compensation in recognition of the delay Mrs S experienced in receiving a response to her in-app chat message.
- The matter was then referred to our service and our investigator didn't agree with Monzo that Mrs S's actions met the test for gross negligence as stipulated under the regulations. Monzo disagreed and asked for an ombudsman's 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 for the following reasons:

- In line with the Payment Services Regulations 2017 (PSRs), Mrs S 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 her personalised security details safe.

- It's accepted by both parties that the disputed payments weren't authorised by Mrs S. It hasn't been suggested that Mrs S failed with intent, and I agree as I don't think she failed with intent to keep her security details safe. Her actions were that of someone who was intending to *protect* their money from fraud.
- I acknowledge that some of Mrs S's actions were negligent. And that she did share personalised security information which, in isolation, many people might not have. In particular, sharing her PIN which is more commonly recognised as something that a bank wouldn't ask for. But I must look at what happened to Mrs S in full and the circumstances of the scam as a whole, not in isolated parts. Having carefully considered the context in which the information was shared, I don't find that Mrs S failed with gross negligence to keep her security details safe.
- Monzo submits that Mrs S didn't pay heed to an earlier scam warning it gave her when it refunded some transactions after she'd been scammed. I've carefully considered Monzo's comments, but I'm not persuaded by its reasoning. The scam at the crux of this complaint is different to the earlier one – the scammer purported to be from Mrs S's trusted bank and was already aware that she'd previously been a victim of fraud. It's worth mentioning that Mrs S didn't engage with the scammer at first. She says that she discussed the matter with her husband, and they both seemed unsure whether it was Monzo that had contacted her. And it looks like Mrs S did attempt to reach out to Monzo before engaging with the scammer. But when she received a text from it confirming that her PIN had been blocked just as the scammer had warned, Mrs S genuinely believed that she'd been contacted by Monzo and that it was taking steps to safeguard her money.
- As Mrs S was then satisfied that she was communicating with her bank, I can't fairly say that it was unreasonable that she complied with its request to provide certain personal information requested, including her PIN. I think that many people would have followed the instructions and complied with what they were being asked. Especially in the context of (in their mind) protecting their money from fraudsters. Indeed, we've seen many others who've acted in the same way that Mrs S did.
- I've seen that there's a warning in the email containing the login link that says not to share it with anyone, including Monzo. But it looks like Mrs S was acting quickly, so I can see how she may have missed this and focused more on the instructions she was given from someone who she thought was trying to help. I don't think Mrs S's actions in that moment – including changing her contact number to a third party's phone number – mean that she seriously disregarded an obvious risk.
- Overall, I don't think that Mrs S's actions fell so far below what a reasonable person would have done in the same circumstances such that I think they amount to gross negligence. This means that Mrs S isn't liable for the transactions in dispute and Monzo needs to put things right for her.

Putting things right

To put things right, I require Monzo Bank Ltd to:

- reimburse Mrs S the unauthorised transactions totalling £1,471.20; and
- pay 8% simple interest per year on this amount, from the date of each unauthorised transaction to the date of settlement (less any tax lawfully deductible).

My final decision

For the reasons given, my final decision is that I uphold this complaint. I require Monzo Bank Ltd to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 29 September 2022.

Gagandeep Singh
Ombudsman