

The complaint

Mr C complains that Monzo Bank Ltd ("Monzo") have failed to refund over £10,000 he lost as part of an investment 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 for the following reasons:

- It isn't in dispute that Mr C authorised the disputed payments he made to the crypto platforms using his Monzo debit card (where his funds were subsequently transferred on to the scammers). The payments were requested by him using his 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 Mr C from falling victim to the scam, as 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.
- I appreciate that overall, Mr C has lost around £10,000 which is a significant amount of money. But this amount wasn't paid in one single large or 'out of character' transaction. It was spread over separate smaller increments which, in my judgment, would not have appeared particularly unusual or out of character when compared with Mr C's spending history, such that they ought to have been regarded as suspicious or indicating that he might have been at risk of falling victim to a scam. The payments were not of such an amount, for example, that it would represent a significant deviation from the way Mr C's account was normally run.
- The largest payment Mr C made, for example, was for £5,000 to Binance. But by this point, Binance was already an established payee that he had paid similar amounts to (such as £1,000 on 8 March 2021 and £4,000 on 17 March 2021). So, it wouldn't have appeared as unusual or out of character. I also appreciate that Monzo have since blocked payments being made to Binance. However, this policy had not been implemented at the point Mr C made his payments, so there was no obligation on it to have prevented payments to this merchant at the time, which is still a legitimate cryptocurrency exchange.
- So, having considered the payments Mr C made, I'm not persuaded there was anything that ought reasonably to have triggered Monzo's fraud monitoring systems, or that would

have indicated he was in the process of being scammed.

- I've also thought about whether Monzo could have done more to recover the funds after Mr C reported the fraud, as in some circumstances the money can be recovered via the bank raising a chargeback dispute. However, in these circumstances, Mr C used his debit card to pay legitimate crypto-exchange platforms before the funds were subsequently transferred on to the scammer. So, he wouldn't be able to make a successful chargeback claim in these circumstances because the companies he paid had provided the services as intended. Therefore, I do not think Monzo were under any obligation to raise a chargeback for Mr C either.

I appreciate this will likely come as a disappointment to Mr C, and I'm sorry to hear he 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 his 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 Mr C to accept or reject my decision before 21 March 2023.

Jack Ferris
Ombudsman