

## **The complaint**

Mr S is unhappy that Monzo Bank Ltd won't refund him money he says he lost as a result of a fraud.

## **What happened**

Mr S met a third-party using an online dating platform. Their conversation eventually progressed onto a messaging platform after exchanging numbers and both parties expressed an interest in meeting each other.

As they were a considerable distance from each other, they both agreed to share the cost of a train journey so that the third-party could meet Mr S where he resided.

After conducting some research, both parties agreed on a train ticket price. The third-party sent Mr S a screenshot and a video of the purchase confirmation for the train ticket and he transferred half of the ticket value (£115).

The third-party later messaged Mr S stating that they were upset with how long he'd taken to come back and pay the money. They further added that due to this, they were unable to clear things with their manager and were annoyed at Mr S's behaviour. The third-party conceded that the trip was a loss, and both would have to take half that loss as it was a non-refundable ticket.

Mr S, believing he'd been defrauded, contacted Monzo and reported the matter. However, after consideration of the evidence, it decided it wouldn't reimburse him the loss.

It looked into the claim taking into consideration the Contingent Reimbursement Model Code (the CRM Code) which it had voluntarily signed up to. Having done so, it felt that Mr S hadn't carried out sufficient due diligence checks to confirm the legitimacy of the individual he was speaking with. As such, it said that it was permitted under the Code not to reimburse.

Mr S disagreed and brought his complaint to our service for an independent review. An Investigator considered the evidence provided by both parties and concluded Monzo should have reimbursed Mr S for his loss. In conclusion, when considering the claim under the CRM Code, they felt Mr S had a reasonable basis for believing he was dealing with a legitimate person. As such, they felt that Monzo couldn't demonstrate one or more of the exemptions for reimbursement under the Code.

Monzo disagreed. In summary, it remained of the opinion that Mr S hadn't carried out sufficient checks to ensure he was dealing with a legitimate person despite having never met them.

As Monzo disagreed with the Investigator's assessment, the matter was passed to me for a decision. On 20 January 2023, I issued my provisional findings regarding the complaint to both Mr S and Monzo. These were as follows:

*'In deciding what is fair and reasonable in all the circumstances of a complaint, I'm required*

*to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.*

*I've also thought about the Lending Standards Board's voluntary CRM Code, which Monzo has signed up to and was in force at the time Mr C made the payment subject to this dispute.*

*Under the CRM Code, the starting principle is that a firm should reimburse a customer who is victim of an Authorised Push Payment (APP) fraud except in a small number of circumstances. However, the CRM Code specifically stipulates that it does not apply to private civil disputes and, therefore, a fraud must have taken place in order for it to be considered under the Code.*

*Having considered all the evidence, I'm not persuaded, on the balance of probabilities, that Mr S has been subject to a fraud here. I have reached my findings based on the following combined factors:*

- Mr S and the third-party spoke over the telephone on several occasions prior to transfer. Mr S believed these conversations to be genuine and didn't suspect anything unusual in them.*
- Mr S was sent both a screenshot and a screen video showing the confirmation email for the train booking shortly after the agreement was reached that the third-party would visit him. These appear genuine and I find it unlikely these could have been manufactured in such a short space of time.*
- The messages Mr S received from the third-party don't have any of the characteristics I would typically expect in communications with a fraudster.*
- The third-party appeared to become irate with Mr S not sending half the funds after booking and that he wasn't responding to messages and several missed calls from them. This appears to have left the third-party feeling anxious about their meeting.*
- Communication appears to have broken down between both parties at this stage as the third-party was unable to confirm the time off with their manager as Mr S didn't respond until circa five hours later. They then pulled out of the meeting citing the delay in response and the fact that the incident had left a bitter taste in their mouth.*
- The third-party said the ticket was non-refundable – meaning they'd also lose half the cost.*
- Having conducted enquiries with the beneficiary bank, the account the funds were sent to was in the name of the party Mr S was communicating with. The account provider has also confirmed that, other than Mr S's report of fraud, no other reports have been received against the account before or since this one. This is uncharacteristic for an account used for fraud and money laundering.*

*Mr S has argued that he had contacted the train company to confirm the booking but was informed that no such booking existed. However, I've seen no evidence to support this. I also find it unlikely that a train company would disclose information about a third-party booking as this would contravene data protection laws.*

*Without evidence to the contrary, I find that this incident is more likely to be one where the third-party has got cold-feet and decided against the meeting due to the breakdown in communication. While I acknowledge that frauds do exist whereby victims are persuaded to send money for a third-party to travel and meet with them, I must also acknowledge that there are equally instances where such meetings are legitimately organised, but not followed through. This is supported by the fact that Mr S met the third-party on a website that specifically caters for these types of arrangements.*

*For all the above reasons, I find that on balance, it's more likely than not that Mr S hasn't been defrauded. Therefore, Monzo has no obligation to refund Mr S for the loss.'*

Both parties were given until 3 February 2023 to provide any further comment or evidence prior to issuing my final decision.

Monzo had nothing further to add. But Mr S didn't agree. He maintained that he'd been scammed by the third-party and highlighted again that he'd spoken to the train company which confirmed no such ticket was purchased for that amount, to that destination.

As both parties have now responded to my provisional findings, I'm now in a position to come to a 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.

Mr S has further added that he contacted the train company the third-party claimed to have booked the ticket through and it confirmed that no ticket was purchased for the amount paid and to the destination specified.

However, I've reviewed the messages between Mr S and the third-party again and have noted that the specific ticket purchased by the third-party was in fact suggested by Mr S after conducting his own research. Mr S found the ticket the third-party had purchased using an application he suggested that the third-party download. So, I find it unlikely that the ticket didn't exist considering he had found it himself before it was purchased for approximately the same value.

Furthermore, as I've already highlighted in my provisional findings, the third-party sent Mr S both a screenshot and a screen video showing the ticket shortly after booking it. I find it unlikely that a fraudster would have been able to fabricate these in such a short space of time considering that these were both sent shortly after Mr S had recommended the application and specific ticket.

So, without further evidence to support Mr S's claim that the ticket wasn't purchased, I find it more likely than not that he wasn't a victim of fraud. I realise Mr S feels differently to me regarding this, but I must base my findings on the evidence and testimony presented. And this has persuaded me, on balance, that he was likely dealing with a legitimate person.

Monzo therefore aren't liable to refund the transaction.

### **My final decision**

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 March 2023.

Stephen Westlake  
**Ombudsman**