

The complaint

Mr C complains that Monzo Bank Ltd (“Monzo”) will not refund transactions he says he made as a result of falling victim to a scam.

Mr C is represented by CEL Solicitors in this matter.

What happened

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of events below.

In short, Mr C says he has fallen victim to an investment scam resulting in him losing approximately £41,000. Mr C made all these payments using his Monzo debit card during the period between October 2020 to June 2021. Mr C says he made these payments to a company I will refer to as P; the funds were then moved onto to his ‘trading account’. Mr C argues that his money actually went to the alleged scammers, which I will refer to as L.

Mr C raised this matter with Monzo asking it to reimburse him the money he says he lost. As Monzo did not do this, Mr C raised a complaint which he referred to our Service.

One of our investigators considered the complaint and did not uphold it. As Mr C did not accept the investigator’s findings, this matter has been passed to me to make a decision.

What I have 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 reasons I set out below.

But first, I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

In Mr C’s submissions, amongst other things, he has made some reference to Monzo not raising a chargeback in this matter, which our investigator addressed in his findings.

From what I have seen, on the face of it, it appears that P is a company involved in, broadly, selling and storing gold – as well as allowing their customers to convert their gold into money and have it credited to their wallet to store or spend. In Mr C’s case, it appears as if P carried out the service mentioned for him – whereby he transferred his funds to his ‘trading account’. Because of this, if Monzo had raised a chargeback claim – I am persuaded it would have likely been unsuccessful. I say this because the alleged scammer (in this case, L) were not a party to the card payments, so Mr C had no valid claim against the legitimate

merchant (P) he paid; this company provided the service as intended. The subsequent conversion/transfer of the funds would not give rise to a valid chargeback claim. Further, I have not been provided with any satisfactory evidence which suggests P did not carry out the service concerned.

I do not find the payments Mr C made as being particularly remarkable. That is to say, I am not persuaded that there were features of the payments which should have alerted Monzo to delay them and ask Mr C questions to get to the bottom of what was going on.

I acknowledge that the payments were international and made to several new payees. However, these factors alone, to my mind, are not sufficient cause for concern.

Mr C argues the payments were for significant amounts and made in quick succession. Having considered this, I do not agree that any of the individual payments were so significant – even when taken together – that Monzo ought to have intervened by pausing the payments pending further enquires. The highest individual transactions concerned amounted to approximately £2,300.

Whilst there are instances of several payments made on the same day, I still do not take the view they ought to have triggered Monzo's systems. I say this because based on the pattern and frequency of Mr C's payments, the gaps in between them and crucially, the location of the beneficiary account: I am persuaded that the various payees had become established regular payees. Therefore, I would not have expected the payments to them to have flagged.

So, taking all the above factors together – I am not persuaded that Monzo has done anything wrong in the circumstances of this complaint, so I will not be asking it to do anything further.

My final decision

For the reasons set out above, my final decision is that 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 8 February 2023.

Tony Massiah
Ombudsman