

The complaint

Miss P complains that Monzo Bank Ltd won't reimburse her for funds she sent to an investment scam.

What happened

Miss P was contacted by someone on social media about an investment opportunity. She said she was interested and they began messaging. She used a genuine cryptocurrency exchange to send money to what she believed was an investment platform. She sent money using her Monzo account and a credit card – this complaint relates only to the Monzo account.

Miss P sent three payments using her Monzo debit card, £682, £45, and £700. She realised she'd been scammed when she kept being asked for more funds to release her profits. She wants Monzo to refund her as she says the payments were suspicious. Monzo didn't agree to refund her as she authorised the payments to a genuine cryptocurrency firm. And it didn't agree it needed to intervene or could recover her funds.

Our investigator didn't uphold Miss P's complaint. He didn't think the amounts she sent were high enough for Monzo to intervene. And he said Miss P couldn't get her money back through chargeback as she had received the cryptocurrency she'd paid for and sent this on to the scammer. Miss P asked for an ombudsman to review her case.

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:

- I appreciate that Miss P has lost a significant amount of money for her. But this amount wasn't paid in a single large or 'out of character' transaction. It was spread over three separate smaller increments. And Monzo is a large bank responsible for actioning thousands of payments a day. So it isn't reasonable for it to speak to customers about each and every one of them. It needs to do this in situations where there is an indication that there may be a fraud risk.
- I accept these payments were higher than the other spending on Miss P's account. But I don't think they were so high or unusual that Monzo did need to intervene. Considering these payments alongside Miss P's other spending and Monzo's wider responsibilities, I don't think it ought to have regarded them as suspicious or an indication that Miss P might have been at risk of falling victim to a scam. So it didn't need to stop the payments at the time.
- I've then thought about whether Monzo could've done more to recover the funds after Miss P reported the fraud, as in some circumstances money spent on a debit card can

be recovered via the bank raising a chargeback dispute. However, a chargeback is a voluntary scheme run by the card provider, in this case Mastercard. And that process is subject to the rules of the scheme and we wouldn't expect a bank to pursue matters to final arbitration if there was no prospect of success.

- In these circumstances, Miss P used her debit card to pay a legitimate cryptocurrency exchange before the funds were subsequently transferred on to the scammer. So she wouldn't be able to make a successful chargeback claim in these circumstances, because the service would be considered provided (i.e. the purchase of cryptocurrency). Therefore, I don't think Monzo has acted unreasonably by not pursuing a chargeback claim.

My final decision

For the reasons set out above, I don't uphold Miss P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 28 February 2023.

Amy Osborne
Ombudsman