

The complaint

Miss H complains that Monzo Bank Ltd won't refund money she lost through what she now believes was a scam.

What happened

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 outcome reached by the investigator for these reasons:

- The starting point in law is that Miss H is responsible for payments she's made herself. And, when making a payment of this nature, there is generally no protection against the nonreceipt of goods or services.
- Monzo has committed to the standards of the Lending Standards Board's Contingent Reimbursement Model (CRM) Code. That means it might be expected to refund Miss H if she fell victim to an "authorised push payment" scam. But the Code doesn't apply to private civil disputes.
- To decide whether this was a civil dispute, I've considered whether on balance the business Miss H was dealing with, who I'll call A, had the intent to defraud her at the time she made the payment.
- I've noted that when Miss H made the payment, A was a limited company, registered with Companies House, which had its own premises and staff for some time. A also had reviews online suggesting that it was delivering on some orders, rather than taking all its customers' money without doing anything in return. All of this suggests A was operating with the intention to trade as a legitimate business.
- It seems Miss H thinks A changed tack when it fell into financial trouble, and I've considered her concerns with how the business was run – for example, that the money was paid into the director's personal bank account. And of course, there's the obvious fact that Miss H didn't get what she paid for – I realise she's concerned that it never existed in the first place. But I think it's likely this could've all happened as a result of A's financial trouble, as opposed to a deliberate act to deceive Miss H. And while it might have used inadequate or even unscrupulous practices, that's not the same as an intention to defraud Miss H when she paid.
- I know this will be hugely disappointing for Miss H, who I understand has lost more than just money here. But having considered the circumstances carefully, I don't think Monzo acted unreasonably in saying this was a civil dispute and, therefore, that

Miss H isn't entitled to a refund under the Code. It follows that I'm not persuaded Monzo is liable for her loss.

My final decision

For the reasons I've explained, I don't uphold Miss H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 12 April 2023.

Emma Szkolar
Ombudsman