

The complaint

Miss T complains that Monzo Bank Ltd won't refund money she lost when she fell victim to a scam.

What happened

The details of this complaint are well known to both parties. So rather than repeat them all again here, I'll briefly summarise the key points.

Miss T was contacted by a fraudster with a job opportunity. As part of this, she was convinced to open an account with Binance, top this up and send money to a fraudster's wallet – she was told she'd get this money back and with more money available, she'd be able to earn a higher commission.

Having realised she'd been scammed, Miss T told Monzo about what happened. It declined to refund her as the money had been sent to an account in her name, so it didn't think the payments that left her Monzo account were the cause of her loss. Unhappy, Miss T brought her complaint to our service to investigate.

Below is a summary of the payments in dispute which were all made to Skrill Ltd by faster payment:

Date	Time	Amount
26 May 2022	19:50	£58.81 (credit)
	20:01	£2
27 May 2022	10:47	£31
	13:06	£31
	13:45	£10
	13:55	£10
	13:56	£1
	14:19	£1
	15:46	£5
	16:55	£72
28 May 2022	03:57	£50
	13:39	£311
	14:12	£660
	14:52	£1,130
	15:32	£2,220
29 May 2022	14:27	£4,442

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:

- In line with the Payment Services Regulations 2017, Monzo is expected to execute authorised payment instructions without undue delay. It's not in dispute that Miss T was scammed. But nor is it in dispute that she authorised the payments. So the starting position is that it's fair to hold the account holder, rather than the bank, liable.
- But there are some situations where we believe that banks – taking into account relevant rules, codes and best practice – ought to have identified a fraud risk, so should have looked at the wider circumstances surrounding the transaction before making the payment. If Monzo failed to do so, and that failure led to a fraudulent loss, it might be fair to hold it liable.
- I can understand why Monzo simply processed the payments on 26 and 27 May 2022 without completing additional checks. While there were multiple payments in a relatively short space of time, these weren't for significant amounts – most were for £10 or fewer.
- But I think Monzo ought to have been concerned by the fourth payment to Skrill Ltd on 28 May 2022 for £1,130. This was the fourth payment that day, and the third payment in just over an hour to the same payee. The amount had also increased – to over £1,000. Taking this all together, I think it represented a significant departure from how the account usually operated.
- Monzo submit that because the payments all went to an account in Miss T's name, it didn't have cause for concern. But it remained that it didn't know the circumstances surrounding what was a remarkable pattern of payments that had emerged. And by 2022, I'm satisfied Monzo had a good understanding that scams often involve someone moving money to an account with a cryptocurrency provider in their own name before moving it on again to the fraudster. Therefore, I don't think the fact they went to Miss T's account means Monzo was reasonable to conclude she wasn't at risk of fraud.
- If Monzo had questioned Miss T about what the payment was for, I think she would've been upfront that it was part of a job opportunity she was contacted about online, where she was being asked to pay on the basis that she'd receive it back plus commission. I think this ought to have concerned Monzo and, had it warned her that it sounded like a scam, I think it's likely she'd have stopped dealing with the fraudsters.
- So, in summary, giving the unusual pattern and value, I think Monzo ought to have been concerned when Miss T attempted a further payment to Skrill for £1,130. And I consider it likely the scam could have been uncovered at this point – preventing the further loss from this account.
- However, I've also considered whether Miss T should fairly be held partly responsible for what happened by way of contributory negligence. The starting point for this is considering what a reasonable person would be expected to have done in the circumstances.
- Miss T was contacted by someone out of the blue online about a job where she'd be paid relatively well for seemingly straightforward tasks. So I think there was a question about whether this was too good to be true.
- I realise she initially received a payment from the fraudsters that reassured her it was genuine. But I think she ought reasonably to have worried when she was asked to

transfer her own money to keep earning – and that she could earn a higher commission if she transferred higher sums. Having reviewed her WhatsApp conversations with the fraudsters, the reasons she was given for spending her own money were difficult to make sense of and at odds with the advert she received that the job didn't include any fees.

- Despite these red flags, I've not seen that Miss T carried out any of her own research to satisfy herself that the company was genuine before she made the payments.
- Taking all of this into account, I consider it fair to reduce the compensation by 50% due to contributory negligence.

Putting things right

Monzo should refund Miss T £3,896 – comprising 50% of her loss from the payment for £1,130 onwards. For ease, here is a table breaking this down:

Date	Amount	Amount Monzo should refund
28 May 2022	£1,130	£565
28 May 2022	£2,220	£1,110
29 May 2022	£4,442	£2,221
Total	£7,792	£3,896

Monzo should also pay 8% simple interest per year on this amount, accruing from the dates of payment to the date of settlement, less any tax lawfully deductible. This is to compensate Miss T for the time she's been deprived of these funds.

My final decision

For the reasons given above, I uphold this complaint and direct Monzo Bank Ltd to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 4 May 2023.

Emma Szkolar
Ombudsman