

## **The complaint**

Mr H is unhappy that Monzo Bank Ltd won't reimburse transfers totalling £19,800 which he feels he was fraudulently tricked into authorising.

## **What happened**

Mr H received a telephone call from someone pretending to be from Monzo. Mr H says the caller told him they needed to secure his account by installing a 'firewall' and transfer funds to another account during that process. And Mr H agreed to grant remote access to the caller on that basis. Mr H says he later realised he'd been scammed when he noticed three payments totalling £19,800 had been made to a cryptocurrency exchange from his account.

Mr H contacted Monzo about this and asked them to recover or reimburse the money to him. But the money couldn't be recovered, and after a lengthy investigation, Monzo declined to reimburse Mr H as they felt he hadn't taken reasonable steps to question the fraudster and protect his account. Mr H wasn't happy about this, so he raised a complaint.

Monzo looked at Mr H's complaint. They accepted that Mr H had been the victim of fraud but confirmed that they didn't feel they should fairly be expected to reimburse the £19,800 to him. But Monzo did accept that Mr H hadn't received the best standard of service from them while they were looking into his fraud claim, and they apologised to Mr H for this and made payments totalling £100 to him for the trouble and upset this poor service may have caused. Mr H wasn't satisfied with Monzo's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Monzo could reasonably have prevented Mr H's loss and so didn't feel they should be instructed to reimburse him. Mr H remained dissatisfied, so the matter was escalated to an ombudsman for 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.

I issued a provisional decision on this complaint on 23 March 2023 as follows:

*I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Monzo have acted in a non-regulatory or unlawful way. Such declarations would be for a regulatory body or a Court of Law to potentially make.*

*Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.*

*Several detailed submissions have been provided to this service by both Mr H and Monzo. I'd like to thank Mr H and Monzo for providing these submissions, and I confirm that I've read and considered all information provided to this service by both parties. However, I won't be responding in similar detail to these submissions. Instead, I'll be focussing on what I feel are the key aspects of this complaint that help me arrive at what I feel is a fair decision – as per the remit of this service.*

*As such, if either Mr H or Monzo notes that I haven't addressed a specific point that they've raised, it shouldn't be taken from this that I haven't considered that point. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly here to arrive at what I consider to be a fair resolution to this complaint.*

*It isn't disputed that Mr H was the victim of a scam here. I've therefore considered whether I feel the transfers in question should have reasonably triggered an intervention from Monzo before being allowed to complete, and also whether I feel any potential intervention that Monzo may have made would have been likely to have been successful. That is, whether I feel Mr H would have recognised that he was in the process of being scammed because of Monzo's intervention such that he then confirmed that the transfers shouldn't complete so that the attempted scam was prevented.*

*Considering the nature of these transfers, I do feel that they should reasonably have been recognised by Monzo as being potentially fraudulent and should therefore have triggered an intervention from them before the transfers were allowed to complete.*

*I say this because having reviewed the historical statements for Mr H's account, I'm satisfied that the transfers were clearly out of keeping with how Mr H had used his Monzo account up to that time. Indeed, Mr H had only made a few outbound transfers of over £1,000 during the entirety of the time he'd held the account, with the largest prior outbound transfer being for £3,750, which took place almost a year before the three fraudulent transfers occurred.*

*Additionally, the transfers were also being made to a cryptocurrency exchange, and while this isn't necessarily an indicator of potentially fraudulent activity in and of itself, I do feel that, when taken in conjunction with the unusual and large nature of the transfers, it should have given Monzo further cause to suspect that something untoward might have been happening here.*

*So, being satisfied as I am that Monzo should have recognised that these transfers were potentially fraudulent, the question then becomes whether any potential intervention that Monzo might have made would have been successful.*

*This is a more difficult question to answer, largely because several aspects of what Mr H has said happened here appear problematic. For instance, Mr H explained to Monzo that the software he was persuaded to download onto his tablet – which allowed the fraudsters access to his Monzo account – was only present on his tablet for half an hour. But the fraudulent transfers which Mr H now seeks reimbursement of took place over the space of approximately 24 hours.*

*It's also notable from the recordings of the telephone call between Mr H and Monzo, that when Mr H first called Monzo to report the fraud he didn't explain that he'd received a call from someone saying that they were from Monzo and that they needed to add a firewall to protect his account – as he later did – but instead*

*explained that he'd received a call from someone claiming to be from Monzo who said he needed to do a transaction of £50 to activate a credit card account. Although it is the case that in both versions of events Mr H explained that he was being contacted by someone claiming to be from Monzo who asked him to install software to enable that person to take control of his Monzo account online.*

*Upon consideration of these points, while there are certainly discrepancies with what Mr H has explained took place, I feel that the salient points of Mr H's description of what happened have remained consistent. Importantly, these include that he was called from someone saying they were from Monzo.*

*Because of this, I feel that if Monzo had intervened and contacted Mr H before allowing the transfers to complete, it's more likely than not that Mr H would have explained that it was Monzo themselves that had previously contacted him and said they needed to move money out of his account temporarily, and that the attempted fraud would then have been discovered and prevented.*

*Of course, the question remains as to how the scammers were able to make three transfers over a period of 24 hours when Mr H has explained that he uninstalled the software that granted the scammers control of his tablet shortly after the call ended.*

*But in his ongoing correspondence with this service, Mr H has admitted that he may not have uninstalled the software as quickly as he'd previously said he had, and that he may only have uninstalled it after the third transfer took place. This seems like the most plausible sequence of events to me, and I feel it offers the best explanation as to why the scammers didn't make a fourth transfer, given that some money remained in Mr H's account and which I feel it's reasonable to expect the scammers would also have taken, if they could have.*

*But while I do feel that Monzo should bear some responsibility for what happened here because they failed to recognise that the transfers merited further checks and didn't intervene, it doesn't follow from this that I feel that Monzo should fairly or reasonably be considered as being fully responsible for Mr H being scammed. And this is because I also feel that Mr H reasonably could and should have done more himself to prevent this scam from taking place himself.*

*This includes that I feel Mr H should have been alerted to what was happening by the fact the scam caller new his PIN – which is something that no bank employee would recite to him – and that he was asked to install a program which allowed the caller to access and control his tablet. I also feel that Mr H should have checked the validity of the caller – for instance by checking the telephone number the scammer was calling from, which wasn't listed as a Monzo number – before proceeding.*

*All of which means that, while I don't think Monzo went far enough to prevent these transfers from completing and that an opportunity was missed to discuss the transfers with Mr H in more detail, I also think that Mr H should bear some liability for his loss because he hasn't acted reasonably in the circumstances of this case – for the reasons explained above. And it follows therefore that I feel the liability here should be shared equally between both parties.*

*As such, my provisional decision is that Monzo must reimburse to Mr H's account 50% of the total of the three fraudulent transfers – which equates to £9,900 – along with interest on that £9,900 calculated at the rate of interest the amount would have earned, had it remained in Mr H's account.*

*I also don't feel that Monzo's offer of £100 compensation to Mr H goes far enough in recognition of the distress and inconvenience that Mr H has experienced here, in part because of Monzo's actions. And so, my provisional instructions will also include that Monzo must pay a further £150 to Mr H because of this.*

*In arriving at this further compensation amount, I've considered the considerable amount of worry and distress Mr H has explained that he's incurred here. This includes understandable upset and anxiety which Mr H has explained he felt at the prospect of losing what he's described as being the majority part of his life savings. And I feel Mr H's distress at what happened is evident in the tone and manner of his communication with Monzo – including in the recorded telephone calls between Mr H and Monzo that I've listened to.*

*I can also confirm that, when arriving at this £150 further compensation amount, I've also considered the mitigating factor that I feel Mr H should bear some responsibility for what happened here.*

In my provisional decision letter, I gave both Mr H and Monzo the opportunity to provide any comments or new information they might wish me to consider before I moved to issue a final decision. Mr H's authorised representative confirmed that Mr H accepted my provisional decision, whereas Monzo did not respond.

As such, I see no reason not to issue a final decision here, upholding this complaint in Mr H's favour on the same basis as detailed in my provisional decision. And I therefore confirm that I do uphold this complaint in Mr H's favour on that basis accordingly.

### **Putting things right**

Monzo must reimburse to Mr H's Monzo account 50% of the total of the three fraudulent transfers – which equates to £9,900 – along with interest on that £9,900 calculated at the rate of interest the amount would have earned, had it remained in Mr H's Monzo account.

Monzo must also make a further payment of £150 to Mr M's Monzo account.

### **My final decision**

My final decision is that I uphold this complaint against Monzo Bank Ltd on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 May 2023.

Paul Cooper  
**Ombudsman**