

The complaint

Mr A is unhappy that Monzo Bank Ltd won't reimburse payments to his account that he was coerced into making by a group of people.

What happened

Mr A was approached by a group of people he didn't know ("the group") and was coerced, under threat of physical violence, to make several transactions from his Monzo account for the benefit of the group over a period of several days.

After the coercion had ended, Mr A told Monzo what had happened and asked them to recover the money transferred from his account for him. Unfortunately, Monzo couldn't recover the transferred money. Mr A wasn't happy about this and felt that Monzo should have done more to protect his account from the group. So, he raised a complaint.

Monzo responded to Mr A and explained that they didn't feel they should reimburse the transactions to Mr A's account because Mr A had authorised those transactions in the knowledge that they were for the benefit of the group. Mr A 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 Monzo had acted unfairly in how they'd managed the situation, and so didn't uphold the complaint. Mr A 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.

Having done so, 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.

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.

Mr A believes that he is the victim of a scam here. However, I don't think that this is the case. I say this because a scam generally involves some form of deception, wherein a person is deceiving into making payments to a recipient that they believe is genuine, only to later discover that they've been tricked and that this wasn't the case.

But there was no form of deception in this instance. Rather, Mr A was threatened and coerced into making payments for the benefit of the group whom he understood were intending to steal his money from him at that time. And because of this, I feel that what's happened here is a criminal act, but not a scam.

Mr A feels that Monzo should reimburse the transaction amounts he was coerced to make by the group. However, in broad terms, the starting position in law is that a business such as Monzo is expected to process payments and transfers that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And given that it isn't disputed that Mr A did authorise these transfers – regardless as to why he authorised them – the starting position for the purposes of this complaint is that Mr A should be considered liable for any loss he incurred as a result.

Additionally, while businesses such as Monzo do have obligations which may come into force when one of their customers has been the victim of a scam, I don't feel that these apply in this instance. This is because, as explained, I don't feel that Mr A was the victim of a scam here. And while Monzo, like all banks, do have a general duty of care to monitor their customers' accounts for unusual activity, I don't feel that the payments that Mr A made to the group were unusual – given how Mr A had managed his Monzo account in the recent past – such that I would reasonably have expected Monzo to have held any concerns about them.

Finally, when Monzo were told about what had happened by Mr A, they did act quickly to try to recover the transfers Mr A had made to the group but were unfortunately unable to do so. Accordingly, I don't feel that Monzo acted unfairly towards Mr A in how they attempted to recover money that Mr A had lost – once they were told about it.

It follows from all the above that I won't be upholding this complaint or instructing Monzo to take any further action. I realise this won't be the outcome Mr A was wanting and I hope that he's able to recover his money from the group via other means. I also hope that Mr A will understand, given what I've explained above, why I've made the final decision that I have.

My final decision

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 A to accept or reject my decision before 25 July 2023.

Paul Cooper
Ombudsman