

The complaint

Miss A complains that Monzo Bank Ltd won't refund payments she didn't make.

What happened

- Miss A fell victim to a scam. She was tricked into sharing her card details and approving payments under the guise she'd receive a payment for an item she thought she'd sold with an online selling platform, which I'll call D.
- Miss A disputed the following payments with Monzo, which were all debited on the same day and formed part of the scam:

Card Payment to Tellcell Wallet	£0.21
Card Payment to Tellcell Wallet	£85.10
Card Payment to Tellcell Wallet	£12.34
Card Payment to Tellcell Wallet	£85.10
Card Payment to Tellcell Wallet	£12.77

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've reached the same outcome as our investigator for these reasons:

- Monzo has seemingly accepted this concerns unauthorised payments. But, in line with the Payment Services Regulations 2017, it's refused to refund them because it asserts Miss A failed with gross negligence to comply with the terms of the account and keep her personalised security details safe.
- To summarise its main arguments, it's said:
 - Miss A approved payments in her Monzo app when she expected to receive a payment.
 - The details of the payments, like the amount and currency, didn't match the payment she was expecting to receive.
 - She continued to approve payments when money had left her account.
 - Miss A could've looked up information about selling on D and she would've identified she was being scammed.
- For Monzo to show Miss A failed with gross negligence, it's not enough to say she didn't act reasonably. Instead, it must show she acted with *very significant* carelessness; *seriously* disregarded an *obvious* risk; or fell *so far below* what a

reasonable person would've done.

- To assess this, I've reflected on the circumstances of the scam. Miss A received a message on D's app confirming that her item had been sold and asking for an email address so she could receive payment. After providing this, she received an email that appeared to come from D, which directed her to a link to receive the payment. Through this link, she was asked for her card details and to respond to PUSH notifications in her Monzo app.
- I can understand how Miss A was duped into thinking she was genuinely dealing with D, given that the email appeared to come from them and the link mentioned D in the URL. She's said she was also reassured by the padlock symbol shown next to the URL on her device, which she thought meant the website was secure. In these circumstances, I think lots of people would've trusted they were genuine.
- Miss A was told by the website's 'support' that she needed to respond to the notifications in her app to receive the money. I can see how Miss A found this plausible – in the same way you might need to enter your PIN to receive a refund in shops. And given her trust in who she was dealing this, I can see how she felt comfortable following their instructions.
- I recognise the details didn't match the refund she was expecting. But in the heat of the moment, I can see why she focused on simply following their instructions as opposed to checking the details. While this might be careless, I don't think that not spotting this meant she fell *so far below* what a reasonable person would've done to conclude she was grossly negligent.
- Miss A has acknowledged that by the fourth payment she was asked to approve, she realised money had left her account. From this point, I'm persuaded that she did fail with gross negligence, because she'd seen she'd lost money and yet carried on regardless.
- Monzo submit she'd have seen the previous payments too. But Miss A has consistently explained what happened and when, and overall, I find her account plausible and persuasive. Afterall, they happened in quick succession and I can understand how she could've missed that her balance had dropped at first.
- Taking this all into account I'm not persuaded Monzo has shown Miss A failed with gross negligence in relation to the first three disputed payments, but I'm persuaded she did fail with gross negligence for the remaining disputed payments. So, in line with the PSRs, I conclude Monzo must refund Miss A losses for the first three payments (£97.65) alongside interest to compensate her for time she's been out of pocket.
- I've gone on to consider whether Miss A is fairly entitled to any further compensation, outside of the scope of the PSRs considered. I've looked at whether Monzo ought to have recognised Miss A was at risk of financial harm, given the nature of the payments – and so, whether it ought to have intervened before it released them. But overall, given the values of the payments and how they were consistent with previous levels of spending, I think it's reasonable Monzo didn't detect a fraud risk and simply processed them.
- As well as whether Monzo ought to have prevented these payments, I've thought about whether it acted reasonably in trying to recover them. But given these were card payments, the only option would be to pursue a chargeback claim. But

considering the rules, I don't think there were any reasonable prospects in this succeeding.

- Finally, I've considered Miss A's non-financial losses. Monzo paid her £100 for its delays in responding to her fraud claim. I think Miss A was inconvenienced in having to repeatedly follow this up with Monzo, and I note she mentions having to borrow money from others to pay bills on time. But, given the overall value of what I think should fairly be returned to her from these disputed transactions, I think £100 is fair in the circumstances. So I make no further award.

My final decision

For the reasons I've explained, I uphold Miss A's complaint. Monzo Bank Ltd must:

- Pay Miss A £97.65.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised payment to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 14 March 2024.

Emma Szkolar
Ombudsman