

## **The complaint**

Miss N complains that Monzo Bank Ltd ('Monzo') won't refund the money she lost in a scam.

## **What happened**

Miss N received a message from someone who claimed to be from a recruitment company. The message said there were a number of vacancies and flexible working was available. Miss N was asked if details could be sent to her via a messaging app. She then heard from a representative of a company I'll call S. The role with S involved completing tasks to generate sales on a platform. Miss N was required to buy cryptocurrency and send it to wallet addresses provided to her.

On 25 February 2023 Miss N made a faster payment of £900 to a cryptocurrency exchange. Two days later she transferred £490 to an individual to buy cryptocurrency.

Miss N realised she was the victim of a scam when the representative of S stopped communicating with her. She contacted Monzo via its chat function to report what had happened on 4 March 2023.

Monzo said the point of loss for the £900 payment was Miss N's own cryptocurrency wallet so it wasn't liable and that it couldn't refund the other payment. But Monzo recognised that it took too long to reach an outcome and credited Miss N's account with £80 to compensate her for this.

### *Our investigation so far*

The investigator who considered this complaint didn't recommend that it be upheld. She said the payments weren't so unusual and out of character that Monzo ought reasonably to have intervened when they were made.

Monzo accepted the investigator's findings, but Miss N did not. She asked for a final decision, so her complaint has been passed to me to consider.

## **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'm sorry to hear about the impact of this cruel scam on Miss N. The fact she is the victim of a scam does not, in itself, mean that Monzo should reimburse her though.

In deciding what's fair and reasonable, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

The Lending Standards Board's Contingent Reimbursement Model Code (CRM Code) only applies to faster payments between UK GBP denominated accounts, so it isn't relevant here.

I would expect Monzo to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears to be unusual and out of character. So I've considered whether Monzo ought reasonably to have intervened when Miss N made the payment requests. Whilst I'm sorry to disappoint Miss N, I think Monzo acted fairly in following her payment instructions.

Although I appreciate the loss has had an impact on Miss N, the value of each transaction was relatively low. In addition to this, the account was newly opened, so Monzo didn't have a previous payment history to compare the transactions with. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. If all payments such as the ones Miss N made were stopped while further enquiries were made, many legitimate payments would be stopped which would cause significant disruption and delay.

I agree that Monzo took too long to reach a decision but note that it has recognised this and paid compensation to Miss N, so I consider it acted reasonably.

Overall, whilst I'm sorry to hear about what has happened, I can't reasonably ask Monzo to refund Miss N.

### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 31 January 2024.

Jay Hadfield  
**Ombudsman**