

## **The complaint**

Ms S complains that Monzo Bank Ltd ("Monzo") won't refund over £27,000 she lost to a scam.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat everything again here. In brief, Ms S was the victim of a job task scam after being contacted on a mobile messaging service app. She was told her details had been found on a recruitment database and that she could earn commission from completing tasks that involved reviewing items on online shopping sites. Ms S says she researched the company online, finding positive reviews. And she was also added to a chat group with others who were similarly completing the tasks.

As part of the scam, Ms S was convinced to send funds to the scammer. This was in the form of cryptocurrency. In total, Ms S made payments totalling over £27,000 to the scammer over the course of around nine days. But when she was told she'd need to pay a further £6,000 to release her commission, she became suspicious and realised she had been the victim of a scam. Ms S raised a complaint with Monzo, but it didn't feel it was liable for her loss, and declined to refund any of the payments she'd made, so she referred her complaint to our service.

Our investigator upheld the complaint in part. They thought that Monzo ought to have questioned Ms S about the fifth payment that she made on 10 February 2022 (the 15<sup>th</sup> payment made overall). The investigator thought that, had that happened, the scam would likely have been uncovered. Therefore, the investigator said that Monzo should refund the money Ms S had lost from this payment onwards, less a deduction of 50% in recognition of Ms S's own contributory negligence. Monzo disagreed, so the matter has been passed to me for review.

## **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.

It isn't in dispute that Ms S has fallen victim to a scam here, nor that she authorised the disputed payments she made to buy cryptocurrency which was passed on to the scammer. The payments were requested by her using her legitimate security credentials provided by Monzo, and the starting position is that banks ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether Monzo should have done more to prevent Ms S from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character for that account holder.

I understand the investigator considered that the fifth payment, for £2,000, made by Ms S on 10 February 2022 ought to have been regarded as unusual. I agree with this because, not only was it the fifth payment made on the same day, but by this stage 15 payments had been made within six days to a new payee, and that payee was associated with cryptocurrency, and so a potentially higher risk. I also note that Ms S generally used her account for low value day-to-day spending, so the large payments she was starting to make were unusual in the wider context of her account. My view is that this really should have been flagged by Monzo as being unusual account activity. Monzo would have known that multiple, out of character, payments being made to the same payee in quick succession can often be an indication of fraudulent activity. So I'm satisfied this payment ought reasonably to have been considered as unusual and triggered an intervention by Monzo.

And it seems that Monzo likely did have some suspicions about this payment, because it was blocked by Monzo and Ms S had to make contact via the chat function to get the payment unblocked. In this chat Monzo simply asked where the payment was going, it did not ask any more probing questions about what it was for or why Ms S was suddenly making so many payments to this source. And, given the background to this payment, I don't think that this went far enough. Had Monzo used this opportunity to ask suitably probing questions, there is no reason to suggest Ms S wouldn't have been forthcoming about what she was doing. I think it's likely Ms S would've been honest in explaining the purpose of the payments – that they were for a job involving completing review tasks. And that she came across this job opportunity after being contacted out of the blue on a mobile messaging service app. Given Monzo's familiarity of scams, I think this would've been a red flag. And so, at this point, I think Monzo ought to have highlighted to Ms S that there was a significant risk of it being a scam and encouraged her to not make any further payments.

I can't know with any certainty whether such intervention would've broken the spell Ms S was under. But I see no reason to think Ms S wouldn't have acted on such advice. I therefore think it's reasonable to assume, had she been given a clear warning that it was very likely she was being scammed, Ms S would've most likely stopped making payments to the scammer.

Monzo does not believe it is liable for Ms S's loss, as it said it occurred from her crypto accounts rather than her Monzo account. I think it's worth noting here that I've not actually seen clear evidence to show that these crypto accounts were necessarily in Ms S's name or under her control. However, in any case, even if we accept that the crypto accounts were in Ms S's name and under her control, just because a payment is to an account in the consumer's own name that does not mean it bears no risk at all, and I would still expect Monzo to keep an eye out for particularly high payments or those that bore other hallmarks of potential fraud, even if those payments were made to another account belonging to their customer.

I say this because this kind of payment journey – where payments are made from an account with one bank, to accounts in the same consumer's name at other banks or e-money providers, and then on to buy cryptocurrency – is increasingly a feature of several types of scams. And I would expect Monzo to have an awareness of how these scams operate and be aware of what it should be looking out for to help protect its customers.

In light of this, I think Ms S's losses were foreseeable to Monzo. And I'm satisfied that, had Monzo asked relevant questions of Ms S, it would have been apparent that she was falling victim to a scam and Monzo would have been able to provide appropriate warning which would likely have prevented Ms S from making any further payments to the scammers.

As a result, I believe Monzo should refund the payments Ms S lost to the scam from and including the 15<sup>th</sup> payment made to the scam, for £2,000 at 7:57pm on 10 February 2022.

I've also thought about whether Ms S did enough to protect herself from the scam, and, having thought carefully about this, I don't think she did. I think she ought reasonably to have had concerns about the legitimacy of the job offered given the requirement to send funds to acquire the profits she'd supposedly earned. Particularly as she was paying significantly more money to the scammer than she was expecting to receive back. I also think receiving an unsolicited job offer via a mobile messaging service app – when she was apparently not even looking for work at the time – should've been seen as unusual to Ms S, and so should have led to her looking more deeply into this job she was apparently being offered. Because of this, I think it would be fair and reasonable to make a 50% reduction in the award based on contributory negligence in the circumstances of this complaint.

I've also thought about whether Monzo could have done more to attempt to recover the payments after Mr S reported the fraud. But I'm satisfied that it was reasonable for Monzo not to attempt to raise chargebacks regarding these payments in the circumstances.

### **Putting things right**

For the reasons given above, I uphold this complaint in part and direct Monzo Bank Ltd to:

- Refund the payments Ms S lost to the scam from and including the 15th payment made to the scam (which was for £2,000 at 7:57pm on 10 February 2022) less a deduction of 50% in recognition of Ms S's own contributory negligence towards her loss.
- Pay 8% simple interest per year on this amount, calculated from the date of loss until the date of settlement, minus any applicable tax.

### **My final decision**

I uphold this complaint in part, Monzo Bank Ltd should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 8 February 2024.

Sophie Mitchell  
**Ombudsman**