

## **The complaint**

Mr U complains about Monzo Bank Ltd.

He says that Monzo didn't do enough to protect him when he became the victim of a scam and would like Monzo to refund him the money he has lost as a result.

## **What happened**

In November 2022, Mr U received a WhatsApp message offering a job opportunity. He was busy at the time, so didn't reply until January 2023.

Mr U later made contact with the scammer and was persuaded to sign up to the supposed job, which involved purchasing cryptocurrency from individuals before transferring this from his own crypto wallet on to the scammer and completing tasks in order to earn commission.

In total, Mr U paid £4,008.68 to the scammer before he realised he had been the victim of a scam.

Mr U then complained to Monzo, but it didn't uphold his complaint.

Unhappy, he brought his complaint to this Service and one of our Investigators looked into things, but they didn't think that the complaint should be upheld either.

Mr U didn't accept the Investigators view, so this complaint has been passed to me to make 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've decided not to uphold this complaint for broadly the same reasons as our Investigator. I'll explain why.

It isn't in dispute here that Mr U has been the victim of a scam and has lost money as a result. However, even when a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that the individual's bank will need to refund the money that has been lost.

In deciding what's fair and reasonable in all the circumstances of a complaint, 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 having been good industry practice at the time.

The Lending Standards Board Contingent Reimbursement Model Code (CRM) doesn't apply in this case, as Mr U paid individuals for cryptocurrency which was transferred to his own

crypto wallet before he moved this money on to the scammer – so the loss didn't occur from his account with Monzo but from his own crypto wallet.

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 (PSRs) and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr U when he authorised payment from his account or whether it could, and should have done more before processing the payments.

*Did Monzo act fairly and reasonably in Mr U's case?*

As I've explained above, I consider that as a matter of good practice Monzo should have been on the lookout for unusual or uncharacteristic transactions – however it can't reasonably be expected to be involved in every transaction a customer makes.

Having considered Mr U's account activity before the scam I agree with our Investigator that the scam payments weren't sufficiently unusual or uncharacteristic when compared to his normal spending pattern and so I wouldn't expect Monzo to flag them or ask Mr U any questions about them.

So, I can't say that Monzo should've been obliged to have gotten in touch with Mr U about the payments – and I'm satisfied that it didn't miss an opportunity to prevent the payments from being made.

I do have sympathy for the situation that Mr U has found himself in – he has been cruelly scammed out of money. However, the loss that he has suffered is ultimately caused by the scammers themselves – not Monzo. And I can't ask Monzo to refund this loss to Mr U when I don't think that it has done anything wrong.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 10 January 2024.

Claire Pugh  
**Ombudsman**