

## **The complaint**

Miss M complains through a representative that Monzo Bank Ltd (“Monzo”) has failed to refund over £45,000 she lost to an investment scam.

## **What happened**

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my decision.

But in summary, Miss M saw an advert about investing with a company I’ll refer to as B on a social media site. Miss M then read this advert and she left her details and received a call and then messages from an advisor who persuaded Miss M to invest.

Miss M then sent over £45,000 via a number of faster payments to an account that she held with a different provider. My understanding is that Miss M then sent the funds from the different provider to a crypto exchange and then sent on to B.

When Miss M was unable to withdraw her funds from B, she realised that she had been scammed. She therefore via her representative raised a complaint with Monzo and requested that she be refunded the transactions. Monzo declined to do this.

One of our investigators looked into this matter and she did not uphold this complaint. Miss M did not agree with this outcome and therefore her complaint was passed to me to issue 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 agree with the conclusions reached by the investigator for the following reasons:

I am satisfied that Miss M authorised the transactions she made from her Monzo account as part of the scam and the starting point is that banks should process payments that are instructed by an account holder.

However, I’ve considered whether Monzo should have done more to prevent Miss M from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance it is clear that Monzo did not intervene appropriately as the payments made from her account were unusual compared to her account history. But this does not mean that Monzo is at fault for Miss M’s loss as I need to consider what would have happened had it intervened.

In this instance, I can see the answers Miss M gave to a different firm when being questioned about the payments and that the scammer helped her answer questions that she was asked. She said

*“There was even one that was declined and I had him dictating what to write to you.”*

I take this to mean that Miss M had a payment declined and asked the scammer to help her provide a reason for the payment to allow it to be processed. This strongly suggests that she was being coached by the scammer. So, I think that had Monzo intervened and asked questions about the payments Miss M would have asked the scammer for help in answering the questions in a way that would allow the payments to be made. So given this I don't think an intervention would have uncovered the scam or prevented the payments from Monzo.

I note Miss M's representative has said that Miss M was only being coached later in the scam and an early intervention from Monzo ought to have occurred and if so this would've stopped the scam. I have carefully considered this and as a large portion of the scam took place over the phone, I am unable to say exactly when the coaching began. Given this I need to decide what is most likely given the available evidence. I can see that during the transaction period Miss M misled a loan company about the purpose of a personal loan she took out to fund the scam.

I can also see that Miss M requested an increase in her daily transfer limit and when asked by Monzo why she said she was buying a car. This suggests that Miss M was prepared at an early stage to mislead Monzo as to why she was carrying out the transactions. So, I think albeit on balance, had Monzo intervened and asked questions either Miss M would have provided misleading answers or she would have asked the scammer for help.

So as Miss M was likely being coached I think that the most Monzo would have done is provide a general scam warning not specific to the actual scam. I don't think that this would have prevented Miss M from carrying out the transactions as very general scam warnings were provided when Miss M made her first transaction from Monzo and this did not prevent Miss M from continuing.

Therefore, even if I were to accept that Monzo ought to have done more, I don't think its failure to probe further could reasonably be considered as the proximate cause of Miss M's loss in these circumstances, as it seems likely she would have given misleading information and proceeded to make the transactions irrespective of any intervention.

I've also thought about whether Monzo did enough to try and recover the funds after the fraud was reported. I can see that the funds that were sent to a different account provider were already forwarded onto the crypto exchange before the complaint was raised by Miss M and so no recovery would have been possible. Therefore, in this instance the only way to recover the funds would have been the Contingent Reimbursement Model. However, the funds were sent to an account in her own name which means the Contingent Reimbursement Model does not apply in this instance.

I appreciate this will likely come as a disappointment to Miss M, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded that Monzo can fairly or reasonably be held liable for her loss in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept

or reject my decision before 23 April 2024.

Charlie Newton  
**Ombudsman**