

## The complaint

Mr C complains that Monzo Bank Ltd (“Monzo”) won’t refund over £20,000 he lost to an employment scam in May 2023.

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.

## 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:

- It isn’t in dispute that Mr C authorised the disputed payments he made to his crypto wallet from his Monzo account (where his funds were subsequently transferred on to the scammer). The debit card payments were requested using his legitimate security credentials provided by Monzo, and the starting position is that firms 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 Mr C from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- It’s accepted that some of payment activity was considered unusual given that it did trigger Monzo’s fraud prevention systems, such as when it blocked the crypto payment he was attempting to make on 6 May 2023. Accordingly, it’s just a question of whether Monzo went far enough with its intervention.
- When Monzo spoke to Mr C about the payment activity on his account, he said he was trying to invest some money into crypto but that it had been declined. Given the increase in cryptocurrency scams, which Monzo would’ve been aware of by May 2023, I think it should have at least provided Mr C with a written cryptocurrency investment scam warning. However, even if it had done so, I’m not persuaded it would have ultimately prevented the scam or any further loss. I’ll explain why.
- First, Mr C didn’t disclose the true nature of what he was doing when he spoke to Monzo. He said that he was trying to invest in cryptocurrency, for example, but this wasn’t the case as he was only buying the cryptocurrency to send to someone else for what he thought was part of his employment. Monzo followed this up on 10 May 2023 and asked him to provide more information about the payments as well as where the money in his account had come from. Mr C said that he was trying to pay £4,000 to another account that he was “*just transferring*”. He also said that this was money he had received as sales commission. However, this was also untrue, as Mr C later divulged that he had in

fact received the money as a loan from a company owned by his family – i.e. it wasn't sales commission as he had previously told the bank.

- So, it's clear Mr C was not providing upfront and honest answers in response to Monzo's questions. I accept it's possible he may have been told to lie to the bank if questioned, and I also appreciate that Monzo could have gone further with its questioning and provided a cryptocurrency scam warning when Mr C said he was investing in cryptocurrency. But even if it had, it seems unlikely Mr C would've disclosed the true nature of what he was doing, as he hadn't when questioned previously. Indeed, I've also listened to some calls Mr C had with another bank that was part of the same scam, where he said that he hadn't been contacted by anyone telling him to make the payment, but this wasn't true either as he had been approached by the scammer who was instructing him to make the transfer.
- I'm also mindful that any written warning Monzo could've provided about cryptocurrency investment scams would've also had little impact on the sort of scam Mr C was falling victim to, given it was related to a job rather than any form of investment. As a result, I'm not persuaded any further questioning, or investment scam warning Monzo could've provided would have likely revealed the scam in these circumstances.
- I also don't think there was anything more Monzo could've done to recover the money Mr C lost either. A chargeback claim would've had little prospect of succeeding, for example, given Mr C received the asset he had purchased (i.e. the cryptocurrency). So, I don't consider Monzo acted unreasonably by failing to pursue a chargeback claim.

I appreciate this will likely come as a disappointment to Mr C, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded Monzo can fairly or reasonably be held liable for his 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 Mr C to accept or reject my decision before 22 April 2024.

Jack Ferris  
**Ombudsman**