

## The complaint

Miss D complains that Monzo Bank Ltd didn't do enough to protect her against losing money to a scam.

Miss D has used a representative to bring her complaint. But for ease of reading, I'll mostly just refer to Miss D herself rather than the representative.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In 2022 Miss D says she was the victim of a scam. She found what she believed to be a legitimate online job submitting reviews. As part of this she believed she had to make payments so her reviews would appear valid. Miss D says the scammer told her to move her money to her account with another business 'W' to make her payments to the scammer from there. She was then supposed to receive a commission and payment in return.

As a result of the scam Miss D made the following transfers from her Monzo account. All the transfers went to her account with W. And from there, it was sent on and lost to the scammers.

Time and Date	Amount
12.18pm 27 November 2022	£916
1.26pm 27 November 2022	£955
2.26pm 27 November 2022	£2,425
4.42pm 27 November 2022	£2,800

On 16 December 2022 Miss D reported to Monzo that she'd been the victim of a scam. Monzo responded and said they couldn't offer a refund. In summary they said the payments had gone to Miss D's own account with W and so she should take it up with them. Miss D complained and when Monzo maintained their position, she referred her complaint to our service. She had also complained to W.

In summary our Investigator recommended that the final payment (less £150 that had been recovered) should be refunded. However, she felt that Miss D should be responsible for 50% of her loss due to contributory negligence. And as our Investigator also upheld the complaint against W she recommended that Monzo and W each pay 25%. The complaint about W was resolved on that basis. Miss D accepted what our Investigator said about this complaint, but Monzo didn't. They didn't agree they should have to make a payment and asked for an Ombudsman to review the complaint.

In October 2023 I issued a provisional decision in which I said:

*"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'm intending to reach a different outcome to that of our Investigator. So, I'm issuing this provisional decision to give everyone a further opportunity to comment before finalising my decision.*

*I accept that the payments listed above were made as a part of the overall scam. And whilst Monzo's first obligation is to follow the payment instructions provided by their customers – they should also do all they can to prevent fraud, scams and the misappropriation of funds. Clearly there is a balance to be struck between allowing customers ready access to their funds and stopping and checking payments where there is an increased risk.*

*Whilst Miss D's submissions suggest that her account with W was opened on the advice of the scammers, the evidence on the linked complaint doesn't. The evidence from W shows Miss D's account with them was opened on 1 June 2022. And the account activity between that date and the scam payments (on 27 November 2022) shows there were at least 11 payments from Miss D's Monzo account to the same account with W. I think this shows that there was an established link between the two accounts.*

*And whilst those 11 payments between the accounts weren't of the value of those made as a result of the scam. In the context of the established link between the accounts, I don't think it was unreasonable for Monzo to process Miss D's payment instructions without doing more than they did first. I understand the argument that a series of payments of increasing value can be indicative of a potential scam. And that Monzo shouldn't automatically assume that Miss D wasn't at risk of potential harm from fraud just because the payments were going to an account in her name. But I have to balance that against what I think is reasonable and proportionate in the circumstances of this complaint. It wasn't unusual for Miss D to top up her Monzo account, either from a savings pot or externally, before either spending or sending the money on. I accept the account activity on 27 November 2022 represented an increase in the value of the transfers from the account. I just don't think it was so unusual or suspicious that I'd expect Monzo to have intervened. And as such, I don't think they reasonably should have prevented the loss in this way.*

*I also don't think anything Monzo did or didn't do would have impacted what could be recovered. Miss D accepts the account she paid was her own. And had funds remained, she could have obtained them directly from W herself.*

*Miss D's complaint form to our service also mentioned that she would like Monzo to pay her £500 compensation and to cover any legal fees she's incurred. As I don't think Monzo fairly and reasonably caused Miss D's loss or that they've provided poor service, there isn't a reasonable basis upon which I can require them to provide redress or compensation. The choice to use a representative to bring her complaint was Miss D's. And if she has incurred costs in doing so, that isn't something that I think Monzo are responsible for."*

Monzo didn't respond to my provisional decision. Miss D responded with some further comments that I'll address below.

### **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.

Miss D maintains that Monzo ought to have intervened in the payments. She's pointed out that multiple payments, increasing in value can be indicative of a potential scam. She's also said that just because the payments were going to her own account, this doesn't mean the bank can sidestep their responsibility to her.

I've acknowledged both these things in my provisional decision. But it still must be balanced against what can reasonably be expected. And in the circumstances of this complaint, particularly in the context of the sums involved and the history of payments from Miss D's Monzo account to her account with W, I just don't think Monzo not intervening at the time was unreasonable.

Miss D made some further comments as to the nature of the questions she thinks should have been asked (had Monzo intervened). And she also mentioned the British Standards Institute's (BSI) PAS 17271 (2017) – Protecting Customers from Financial Harm from Fraud Code.

As I don't think it was unreasonable for Monzo not to have intervened, there is no merit in discussing any questions or warnings that likely would have followed. And I've taken account of the BSI report Miss D has mentioned, but it doesn't change my thoughts as to the outcome of this complaint. The crux of this complaint is a matter of balance and proportionality as to what can fairly and reasonably be expected. And as I said in my provisional decision, *"I accept the account activity on 27 November 2022 represented an increase in the value of the transfers from the account. I just don't think it was so unusual or suspicious that I'd expect Monzo to have intervened. And as such, I don't think they reasonably should have prevented the loss in this way."* So despite my natural sympathy for Miss D losing money as she did, I'm not going to direct that Monzo need to do anything further to resolve this complaint.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 12 December 2023.

Richard Annandale  
**Ombudsman**