

## The complaint

Mr T complains that Monzo Bank Ltd (Monzo) is refusing to refund him the amount he lost as the result of a scam.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr T was contacted via WhatsApp about a job opportunity by an individual (X). The details of the job were explained to Mr T and involved Mr T working a few hours each day to 'drive customer data value'. The job appeared to be relatively easy and provided a good salary plus commission.

Mr T took the job and was required to make further and further payments before any funds could be released to him. However, after making several payments and being pressured by X to make even more he realised he had fallen victim to a scam.

Mr T made the following payments in relation to the scam from his account with Monzo:

Date	Payee	Payment Method	Amount
5 March 2023	Individual	Transfer	£20
6 March 2023	Individual	Transfer	£150
6 March 2023	Individual	Transfer	£120
9 March 2023	Individual	Transfer	£1,000
9 March 2023	Individual	Transfer	£4,606

Our Investigator considered Mr T's complaint and thought it should be upheld in part. Neither Mr T nor Monzo agreed, so this complaint has been passed to me to decide.

## 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 has not been disputed that Mr T has fallen victim to a cruel scam. The evidence provided by both Mr T and Monzo sets out what happened. What is in dispute is whether Monzo should refund the money Mr T lost due to the scam.

### *Recovering the payments Mr T made*

Mr T made payments into the scam via transfer. When payments are made by transfer Monzo has limited options available to it to seek recovery. I can see that Monzo did contact the operator of the payee account, but no funds remained in the account.

With the above in mind, I don't think Monzo had any reasonable options available to it to recover the payments Mr T made in relation to the scam.

### *Should Monzo have reasonably prevented the payments Mr T made?*

It has been accepted that Mr T authorised the payments that were made from his account with Monzo, albeit on X's instruction. So, the starting point here is that Mr T is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Monzo should have been aware of the scam and intervened when Mr T made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The first four payments Mr T made in relation to the scam were not significant in value or out of keeping with how Mr T operated his account in general, so I don't think it's unreasonable that the payments didn't trigger Monzo's fraud prevention systems prompting it to intervene.

The fifth payment Mr T made was more significant in value and out of keeping with how Mr T usually used his account. I think this payment should have caused Monzo to have concerns, and it should have intervened. I can see Mr T would have seen a generic warning when making the payments, but I don't think this warning was sufficient to put Mr T on notice that he was likely falling victim to a scam.

I've not seen anything to suggest Mr T would have been dishonest if he was asked questions by Monzo about the payments he was making and given Monzo's experience and the circumstances of the scam I think it's likely Monzo would have uncovered the scam had it intervened when Mr T made this payment, as I think it should have. Monzo is therefore responsible for the fifth payment Mr T made in relation to the scam.

### *Did Mr T contribute to his loss*

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I do think it would be fair to reduce compensation by 50% on the basis that Mr T should share blame for what happened. Mr T appears to have accepted a job with someone he had not previously met, having been contacted randomly via WhatsApp. It also appears Mr T did very little research before agreeing to make the payments.

### **Putting things right**

To put things right Monzo Bank Ltd should refund the last payment Mr T made in relation to the scam less 50%. Monzo Bank Ltd should also add 8% simple interest to the amount it pays Mr T from the time the payment was made to the time the payment is refunded (less any lawfully deductible tax).

### **My final decision**

I uphold this complaint and require Monzo Bank Ltd to put things right by doing what I've outlined above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 June 2024.

Terry Woodham  
**Ombudsman**