

The complaint

Miss D complains that Monzo Bank Ltd did not refund a series of payments she lost as part of a scam.

What happened

Miss D saw concert tickets for sale on social media and reached out to the seller. They confirmed they still had the tickets and provided a screenshot showing four tickets were in the name of the seller. Miss D initially sent £172 via bank transfer for just one ticket and asked for the name on the ticket to be transferred before paying for the second one. The seller said that two tickets had to be sold at once and couldn't be split up. So, Miss D transferred the second payment of £172.

The seller then explained there was a £100 charge for the names on the tickets to be changed, and Miss D was initially unsure of this. The seller then provided a screenshot from the ticket provider confirming this and Miss D said she was aware of other rules relating to this specific concert, so she paid the additional £100. Following this, the seller stopped responding to messages and Miss D realised she had been the victim of a scam.

Miss D raised a scam claim with Monzo. While Monzo is not signed up to the voluntary Lending Standards Board's Contingent Reimbursement Model ("CRM") Code, they have agreed to follow the principles of it. In doing so, they did not think Miss D had met her obligations under the code, as they didn't think she had a reasonable basis to believe she was buying legitimate tickets, so they did not agree to reimburse her.

Miss D referred the complaint to our service and our Investigator looked into it. They felt that the ticket prices weren't too dissimilar to the genuine cost, so they weren't too good to be true. And Miss D had asked for evidence the tickets had been purchased, as well as evidence that the name change was a requirement, which the scammer provided her with. So, they felt Miss D had carried out checks proportionate to the value of the payments made.

Monzo disagreed with this and said social media is not an official ticket re-selling platform, which therefore made the ticket purchase illegal. And Miss D had not checked the tickets physically existed, so they felt the exception could be applied in this case and no reimbursement was due.

As an informal agreement could not be reached, the complaint has been passed to me for a 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.

I'm satisfied Miss D has been the victim of a purchase scam, and I'm sorry she's had to

experience this. The starting point under the relevant regulations and the terms of Miss D's account is that she is responsible for transactions she's carried out herself. However, as explained above, Monzo have agreed to follow the principles of the CRM Code which gives additional protection to victims of authorised push payment scams.

Monzo has said that it can apply one of the exceptions to reimbursement as set out by the code. This states that if Miss D did not have a reasonable basis to believe she was buying a legitimate service or product, her right to reimbursement under the code is revoked. They have said that as Miss D was purchasing tickets from an unofficial platform and had not physically seen the tickets, she did not have a reasonable basis to believe the sale was legitimate.

I've considered this in more detail and having done so, I'm satisfied Miss D took steps to protect herself when she purchased the two tickets and that she met her obligations under the code. I say this because the cost of the tickets was not 'too good to be true' as they fall within the range that legitimate tickets were being sold for at the time. Miss D initially asked to pay for just one ticket, so she could receive it before committing to buy the second. However, when the scammer said it was not possible to sell individual tickets, she was then shown evidence that the scammer had possession of the tickets. These matched the name of the individual she was speaking to, so I think she took reasonable steps to satisfy herself the seller had the tickets. Monzo has said Miss D should have seen the physical tickets, however often tickets will be virtual so I think a screenshot of the ticket confirmation was enough in the circumstances.

Monzo has said Miss D should have questioned why the transfer was not going into the account of the individual she was speaking to. Miss D says she was told the account she paid was in the name of the scammer's partner. On balance, I don't think any of this is unreasonable and, overall, I think Miss D had a reasonable basis to believe she was buying legitimate tickets based on what she knew.

I have taken Monzo's comments on board, that for this event, tickets could only be re-sold through the official re-sale websites and any tickets found to be purchased through unofficial means would not be valid for entry. But I do not agree this means their purchase was illegal. I would not have expected Miss D to be aware of this condition and she has not mentioned this as a concern either with the scammer, to Monzo or to our service when making the complaint. As she thought the tickets were being transferred to her name via the official ticket provider's website, I think it is more likely she was unaware purchasing the ticket outside of the official re-sale website would make the tickets invalid.

I've then considered the final payment of £100 which was to pay for the name changes on the tickets. I acknowledge that Miss D had some initial concerns about this. However, the scammer said that there were a number of rules specific to the tour Miss D was buying tickets for which included the cost for name changes. And Miss D acknowledged she also understood there to be rules specific to this tour, so what she was told aligned with her understanding. In addition, the scammer provided a screenshot which showed the specific cost, which I think was enough to convince Miss D of the additional payment.

Having carefully considered everything available to me, on balance, I think Miss D had a reasonable basis to believe she was paying for legitimate concert tickets so I do not agree that Monzo can rely on the exception for reimbursement as set out in the CRM code. I therefore recommend full reimbursement of the £444 Miss D lost, as well as 8% simple interest from the date of the declined claim to the date of settlement.

If Monzo considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss D how much it's taken off. It should also give her a tax

deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I uphold Miss D's complaint. Monzo Bank Ltd should calculate and pay the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 22 April 2024.

Rebecca Norris
Ombudsman