

## The complaint

Ms M complains that Monzo Bank Ltd hasn't refunded her after she fell victim to a scam.

## What happened

Ms M came across a post on Facebook from someone offering working from home job opportunities. She was interested and got in touch with the poster via WhatsApp. Ms M didn't know at the time, but she was contacting a scammer rather than a genuine person.

The scammer explained to Ms M that the job involved boosting the reviews and ratings of products online. Doing so would generate commission. And Ms M was told she could enhance her earnings by depositing funds into her commission account in advance of carrying out the tasks assigned to her.

On that basis Ms M went on to make the following payments using her Monzo debit card, whilst completing the tasks she was assigned. The payments went to a cryptocurrency exchange before being sent on to the scammer.

Date	Time	Amount
05 December 2022	10:23	£100
06 December 2022	13:52	£100
06 December 2022	13:56	£20
06 December 2022	14:39	£180
06 December 2022	16:27	£280
07 December 2022	18:30	£155
07 December 2022	18:40	£20
07 December 2022	18:50	£380
08 December 2022	14:43	£173
08 December 2022	16:24	£2,500
09 December 2022	14:12	£600
12 December 2022	11:00	£570
13 December 2022	10:09	£500

Ms M realised something was wrong when she tried to withdraw her earnings and the scammer stopped communicating with her. She reported what had happened to Monzo and asked it to refund her loss.

Ms M had also complained about some payments to another account in her name, held with a different firm. I've not included those payments here as I know that other firm has refunded her loss in full.

Monzo looked into what had happened and said it wouldn't be able to reimburse Ms M. It said because she'd made payments to the cryptocurrency platform and sent the money on from there, the loss hadn't occurred with Monzo as she still had control of the funds.

Ms M was unhappy and so brought her complaint to our service. One of our investigators considered the complaint and didn't recommend it be upheld. He acknowledged Ms M had

been the victim of a scam but said Monzo hadn't acted unfairly or unreasonably in either processing the payments or in how it answered the complaint.

Ms M remained dissatisfied and so asked that an ombudsman review the complaint.

### **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 sorry to disappoint Ms M but I'm not upholding her complaint, and for broadly the same reasons as our investigator. I have considered all she's said, and all the evidence supplied. I won't necessarily address every point raised, instead focusing on what's most relevant to the outcome.

I know Ms M has been the innocent victim of a cruel scam. It must feel incredibly unjust that she has suffered such a loss. My role here is to consider whether Monzo has done anything wrong, or whether it has acted unfairly and unreasonably in not refunding Ms M's loss. I can't see that it has. And I can't say Monzo ought to refund Ms M solely on the basis she's been the victim of a scam.

The starting point at law is that Ms M is responsible for any payments made from her account which are properly authorised. This is confirmed in the Payment Service Regulations (2017) as well as the account terms and conditions. This remains true even where Ms M was deceived as to the ultimate purpose for her payments, having been caught up in a scam.

However, longstanding regulatory expectations and requirements, alongside what I consider to have been good industry practice at the time, mean Monzo ought to have systems in place to monitor accounts for fraud and scams. There will be times when it is clear that the activity on an account has become unusual or suspicious to the extent it ought fairly and reasonably be picked up by the bank as a risk of financial harm to the customer through fraud. And that could remain true even where payments were being sent to an account in the customer's own name, given the prevalence of multi-stage fraud.

I must then consider whether the payments Ms M was making using her debit card were so unusual or suspicious that Monzo ought fairly and reasonably to have identified a fraud risk and acted against it's duty to process the payments quickly. I'm not satisfied that is the case here.

The early payments made by Ms M were all of low value. None stand out as unusual or suspicious. And even though there are multiple payments on the same day, even the combined value isn't alarming.

There is a single payment of £2,500 on the third day of the scam. Clearly this is a big jump in value. But I'm still not persuaded it is such a significant amount of money that Monzo ought to have considered Ms M was at risk of financial harm. And that remains true when I consider the payment in the context of the others that had come before it.

This isn't to say that the sum of money lost to the scam from Ms M's Monzo account is insignificant. I don't doubt the loss will have had a huge financial impact on Ms M, not to mention on her mental and emotional health. But I don't find it would be fair to say there were clear hallmarks of a scam risk here that Monzo ought to have acted on.

As the payments after that then decrease in value and frequency, there isn't a later point at which Monzo ought to have intervened either.

I haven't ignored the fact the payments made from Ms M's account toward the scam were unlike her normal account activity. It's clear she didn't regularly make payments to cryptocurrency platforms and the payment values aren't common for her. But I'm not

persuaded the activity was ever so unusual that there was a clear scam risk that Monzo ought to have acted on.

I've also considered that the payments went to a cryptocurrency exchange. It can be fairly and reasonably argued that payments to such platforms do bear a greater risk. But that doesn't mean Monzo should be questioning any and all payments made.

Our investigator did also consider whether Monzo ought to have attempted a chargeback once the scam was reported. He found it was fair and reasonable for Monzo not to have done so. That's correct because there would have been no reasonable prospect of success. Ms M did make the payments to the cryptocurrency platform and, although she ultimately lost money, she essentially did get the services paid for. She bought cryptocurrency and it was provided to her, before being sent on at her instruction.

### **My final decision**

I don't uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 19 April 2024.

Ben Murray  
**Ombudsman**