

## **The complaint**

Mr and Mrs A complain that Monzo Bank Ltd won't reimburse the money they say they lost to a scam.

## **What happened**

Mr and Mrs A engaged the services of a company which claimed it could help them to become debt free. I'll call this company G. Mr and Mrs A made regular payments to G for around 12 months, but became concerned that they were still being pursued by their creditors. Mr and Mrs A asked for proof of the work G said it had been doing, but when nothing was forthcoming, they concluded they had been the victim of a scam.

Mr and Mrs A raised a scam claim with Monzo. But having considered what had happened, Monzo declined to refund their money, it said this was a civil dispute between Mr and Mrs A and G, and so did not accept any liability for their loss. Mr and Mrs A remained unhappy, they maintained that they were the victims of a scam. So, they referred their complaint to our service.

One of our Investigators looked into what had happened but did not feel the complaint should be upheld, they felt it was fair for Monzo to say this was a civil dispute.

Mr and Mrs A did not agree, so as no agreement could be reached, this case has been passed to me for review.

## **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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

And having thought carefully about all that Mr and Mrs A have told us, and the evidence I've seen, I do consider that it is fair for Monzo to have declined to refund the disputed payments on the basis that this is a civil dispute between Mr and Mrs A and G. I'll explain why.

The Contingent Reimbursement Model (the CRM code) states the following regarding civil disputes:

*"this code does not apply to:*

*(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier;"*

Mr and Mrs A argue that G did no work for them, despite receiving over £2,000. They've also pointed to numerous negative reviews of G which can be found online, and the fact that G's record on the Companies House register shows they have changed their address several times, and have been served a notice to be struck off the register (although this notice was subsequently discontinued).

I've thought carefully about all the evidence I've seen, and I acknowledge that it paints a picture of a business not operating as it should. But I don't think that meets the high bar that would be needed to declare that G was acting fraudulently or operating as a scam. From the records I've seen it seems that G was a legitimate business, and was running for some time before Mr and Mrs A engaged its services.

I can also see, from the emails Mr and Mrs A have provided, that there was extended contact between them and G, including G asking Mr and Mrs A to sign paperwork acknowledging a change in ownership of G. This does not strike me as something that a scammer would do. And, while I cannot share details of what I've seen, I have also had sight of G's account statements, which do not show obvious signs that Mr and Mrs A's money was being misused.

With this in mind, I'm satisfied that G does appear to have been operating a legitimate business. And it's clear from what has happened that Mr and Mrs A paid G for services which they feel have not been provided, so I'm satisfied that this situation meets the definition of a civil dispute as set out in the CRM code, this means that Mr and Mrs A are not entitled to a refund from Monzo under the Code.

I appreciate Mr and Mrs A do not agree, but from Monzo's point of view this situation doesn't display the hallmarks most typically associated with a scam. This is not to say that there is no issue at all between Mr and Mrs A and G. Clearly there is. But this type of dispute isn't something that the CRM Code covers.

I know this will be a huge disappointment to Mr and Mrs A. I appreciate how they feel about this case, and that they have apparently paid G a large sum of money for no real benefit. And some of the information they have sent us does suggest that G wasn't acting professionally, but that does not mean that this was a scam, rather than a case of poor and unprofessional business practices.

I sympathise with the position Mr and Mrs A have found themselves in, and I'm in no way saying that they don't have a legitimate grievance against the contractor. But, for the reasons I've explained above, I do not consider that the payments in dispute here are covered under the CRM Code, or that it would be fair to hold Monzo responsible for the money they've lost.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 18 July 2024.

Sophie Mitchell  
**Ombudsman**