

## **The complaint**

Ms O complains that Monzo Bank Ltd did not refund a series of transactions she lost to a scam.

## **What happened**

Ms O was contacted over the phone by a recruitment company, as she had been looking for work recently. They offered a remote job opportunity that would allow her to earn £800 over just a few days. She would have to leave reviews to optimise apps, in order to do so she would have to pay to leave reviews. Some were more expensive than the balance on the employee system meaning she had to deposit her own funds into cryptocurrency and forward that to the employee system.

When she was asked for more and more money with no sign of receiving the commission that she was due, she realised she had been the victim of a scam. She made the following transfers from her Monzo account:

- 09/05/2023: £500
- 09/05/2023: £500
- 10/05/2023: £500
- 10/05/2023: £1,668
- 10/05/2023: £924

Ms O contacted a representative who passed the complaint on to Monzo. Monzo explained that as the loss had occurred from her cryptocurrency wallets, they were not liable for it. And they contacted the beneficiary bank that the payments went to but were unable to recover anything. Ms O referred her complaint to our service.

Our Investigator looked into the complaint but did not think the value of the transfers was significant enough to have warranted intervention from Monzo, so they didn't think they missed an opportunity to reveal the scam. Ms O's representative disagreed. In summary, they felt the pattern of payments was indicative of fraud and that payments to cryptocurrency pose a higher risk.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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 that Ms O has been the victim of a cruel scam that targets individuals looking for additional sources of income, and I'm sorry she's had to experience this. What I have to decide is if Monzo should reasonably have done more to protect her account from financial

harm. Unfortunately, the transactions in question are not covered by the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code, as they went to another account in Ms O's name, but Monzo still had a duty of care to Ms O.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Ms O authorised the payments in question as she believed they were related to a legitimate job opportunity. So, while I recognise that Ms O didn't intend the money to eventually go to scammers, the starting position in law is that Monzo was obliged to follow her instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Monzo did enough to try to keep Ms O's account safe.

I've reviewed Ms O's statements and considered the scam payments alongside her normal account activity and having done so, I just don't think the value or pattern of payments were unusual enough to appear suspicious to Monzo. The payments themselves were relatively low value, so I don't think this alone warranted further checks prior to them being processed. And while I recognise these were payments to cryptocurrency, even with the increased risk transactions related to cryptocurrency carry, I still don't think Monzo needed to manually intervene and ask further questions. So, I don't think they missed an opportunity to reveal the scam.

As the payments went to cryptocurrency accounts in Ms O's name before being passed on to the scammer, Monzo was unable to recover any once they were made aware of the scam. So, I don't think there was anything more they could have done to try and help Ms O in the circumstances.

### **My final decision**

I do not uphold Ms O's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 23 July 2024.

Rebecca Norris  
**Ombudsman**