

## **The complaint**

Mrs A complains that Monzo Bank Ltd has failed to refund money she lost to a scam.

## **What happened**

In January 2023, Mrs A was contacted by someone who said they worked for a recruitment firm, advising her of a job opportunity. Mrs A was told the job involved her completing tasks on an online platform. Mrs A was told she could earn commission, but that she would need to make payments to the platform in cryptocurrency to unlock sets of tasks to complete.

As part of the scam Mrs A opened a new account with Monzo to facilitate her payments. Over the course of around five days Mrs A made eight payments to various accounts belonging to third parties as part of the scam, this was for the purchase of cryptocurrency via the peer-to-peer market. In total, she paid £2,914.08 to the scammers, some of which was borrowed from relatives.

Although she was able to withdraw a small amount early on – which was then reinvested in the scam – Mrs A was not able to withdraw any of her commission after her last payment, and became suspicious. At this stage she told Monzo she had been scammed.

Monzo looked into what had happened, but ultimately told Mrs A that it did not think it was liable for her loss. It said she had not taken reasonable steps to ensure she was paying someone legitimate.

Mrs A wasn't happy with Monzo's response, so she brought a complaint to our service. An investigator looked into Mrs A's complaint, and they felt that Monzo should have intervened in the last payment Mrs A made to the scam. The Investigator felt that, if Monzo had done so, then the scam would have been uncovered. But they also felt Mrs A should bear some responsibility for what had happened here. So, they recommended that Monzo refund half of this final scam payment to Mrs A.

Monzo did not agree, it maintains that it is not responsible for Mrs A's loss, given that the payments were for the legitimate purchase of cryptocurrency. It says that Mrs A's loss did not occur at the point she made the payments from her Monzo account. It has also said she did not have a reasonable basis for believing that she was paying someone legitimate and that it gave an appropriate warning about paying new payees.

I issued my provisional decision on this case on 11 April 2024, explain why I did not consider it should be upheld. Neither Monzo nor Mrs A has made any further comments in response to that provisional 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.

In my provisional decision I explained the following:

*"It isn't in dispute that Mrs A authorised the payments she made to the scammers. And the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made. There are though some circumstances in which a bank may still be reasonably expected to reimburse a customer for payments made to a scam.*

*As noted by our Investigator, these payments are not covered by the CRM code, as they were for the peer-to-peer purchase of cryptocurrency. So Mrs A is not entitled to reimbursement under that code. However, I've considered whether Monzo should have done more to prevent Mrs A from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.*

*But Monzo has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect a bank to check each one. And, in situations where Monzo do intervene, I would expect that intervention to be proportionate to the circumstances of the payment.*

*In this case, Mrs A's Monzo account was opened as a result of the scam, so Monzo had no account history with which to compare any transactions Mrs A was making. This means Monzo would have been relying on generic indicators of fraud risk when the scam payments were made as it would have had no idea of what might be normal for Mrs A's account at that time.*

*So the first few payments Mrs A made, which were all for under £1,000 and so for relatively small amounts in the wider context of the payments Monzo sees every day, would not, in my mind, have been high enough to cause Monzo any particular concern.*

*However, I agree with our Investigator that it is arguable the last payment Mrs A made to the scam, for £1,415.61 on 3 February 2023, was unusual enough to be seen as potentially suspicious. I say this because, while this payment was still not what I would consider to be a particularly high payment, it was the third payment to a new payee on the same day with each payment higher than the last. So, I think it's right that Monzo should have intervened at this stage. The question I must then consider is what a reasonable intervention would have been, and would that intervention have broken the spell and uncovered the scam.*

*I consider that a reasonable intervention at this stage would have been a written warning, giving some information about potential scams. And Monzo has provided evidence that it did show Mrs A its general APP warning when she made this payment. This warning included some general points to look out for regarding scams and included a link to more detailed guidance on scams. I appreciate that our Investigator said that direct contact and questioning from Monzo would have been appropriate, but given the limited account history, and that the relevant payment was still, in a wider context, for a relatively low amount, I am satisfied that the written warning would have been a proportionate intervention, given the individual circumstances of this case, and I'm not persuaded Monzo needed to do anything more.*

*It's clear that this general warning did not flag to Mrs A that she might be at risk. But given the nature of the payments and the nature of the scam itself, I don't think a more detailed, tailored warning would have been proportionate here. The payments were made peer-to-peer so the link to cryptocurrency would not have been obvious to Monzo. And I don't think I*

*would expect Monzo's warning to have included information about the specific kind of scam that Mrs A fell victim to as it would not have been clear to Monzo that a job scam was the potential risk that Mrs A faced.*

*So, with all this in mind, I'm currently minded to say that Monzo didn't miss an opportunity to uncover the scam Mrs A was a victim of. I don't think it could reasonably have done more to prevent her loss, and so I won't be asking it to refund those losses to Mrs A.*

*I've also thought about whether Monzo could have done more to recover the funds after Mrs A reported the fraud. But I'm satisfied that it could not have done more here. The payments were for the purchase of cryptocurrency via third parties, and the cryptocurrency was provided, so there would not have been any basis for Monzo to request the return of those funds.*

*I appreciate this will be very disappointing for Mrs A, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not currently persuaded that Monzo can fairly or reasonably be held liable for her loss in these circumstances."*

As neither Monzo nor Mrs A has made any further comments or provided any new evidence in response to my provisional decision I see no reason to change my findings as set out above. So, I remain satisfied that Monzo is not liable for Mrs A's loss here and I won't be asking it to refund that loss to her.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 10 June 2024.

Sophie Mitchell  
**Ombudsman**