

The complaint

Mr A complains that Monzo Bank Ltd ('Monzo') won't refund the money he lost as a result of a scam.

He's being represented by a firm of solicitors. To keep things simple, I'll refer to Mr A throughout this decision.

What happened

The background to this complaint is known to both parties, so I won't repeat all the details here. In summary, Mr A says:

- In June 2021, he came across a social media advert for a company (I'll refer to as 'L') which he believed was offering a genuine investment opportunity. After completing an enquiry form, he was contacted by someone claiming to be an 'account manager' at L (the scammer). He was given a link to the scammer's website which looked convincing and he was led to believe that for little investment he'd be able to make great profits.
- Believing L was legitimate, he started with a relatively small initial 'investment' at first. But was persuaded to send more funds after the scammer claimed that with more deposits he'd receive higher gains. He was told that to 'invest' he needed to purchase cryptocurrency and then send this to the platform provided by the scammer. As part of the process, he was also instructed to download remote access software to allow the scammer to place 'trades' on his behalf.
- He continued to make further payments for a few months. But, by October 2021, the scammer started to insist that he needed to pay 'fees' in order to make a withdrawal. He realised he'd been scammed when, in November 2021, he was again asked to pay more for 'fees' despite not having been able to access any of his funds. In total, over £4,400 was sent and lost as part of this scam.

Below are the payments I've considered as part of this complaint.

Date	Method	Payee	Amount
26-Jul-21	Card payment	Tria Elektroni	£506.65
24-Aug-21	Card payment	Catfishpool Heze	£432.65
26-Aug-21	Card payment	Heronspool Heze	£434.97
30-Aug-21	Card payment	Loachflower Heze	£437.35
05-Oct-21	Card payment	DDGare.com	£549.93
13-Oct-21	Card payment	Binance	£500
13-Oct-21	Card payment	Binance	£600
18-Oct-21	Card payment	Binance	£700
24-Oct-21	Card payment	Binance	£300

The scam was reported to Monzo in October 2023. A complaint was raised and referred to our Service. Our Investigator considered it and didn't uphold it. In summary, she didn't think

any of the payments were significant or unusual enough for Monzo to have intervened or that it had otherwise missed an opportunity to prevent the scam. She also concluded that chargebacks are unlikely to have been successful. She said that the chargeback rules don't cover scams, there was little information about the first five merchants to support such a claim, and Binance would have likely provided the cryptocurrency as intended, before that was sent and lost to the scam.

As the matter couldn't be resolved informally, it's been passed to me to decide.

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.

Having done so, I've reached the same conclusions as the Investigator and for broadly the same reasons.

Authorisation

It's not in dispute Mr A was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute that he authorised the payments from his Monzo account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr A is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are, however, some situations where I consider that a business, taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

With this in mind, I've carefully considered if it was reasonable for Monzo to have processed the disputed payments without making additional checks – and, overall, I'm satisfied it was.

I recognise Mr A has lost a significant amount of money to a scam and I can understand how many of its aspects would have led him to believe the opportunity was genuine. But it's also important for me to emphasise here that a bank can't reasonably be expected to intervene on every transaction that may be the result of a scam. There's a balance to be struck between identifying payments that may be made as a result of a scam and ensuring minimal disruption to legitimate ones. And, in this case, taking into account the information Monzo had available at the time, I don't think there was enough about any of the payments that ought to have alerted it of a heightened risk of financial harm.

Like the Investigator, I don't think any of the payments ought to have appeared as particularly concerning in value. I'm mindful that the combined total, while not insignificant, was sent across a number of transactions, over roughly three months. And looking at the payment activity, both individually and collectively, I'm also not persuaded there came a point that such a suspicious spending pattern had developed to the extent that it ought to have reasonably triggered Monzo's fraud prevention systems.

I'm again mindful Mr A was the victim of a cruel scam. I can understand why he wants to do all he can to recover his money. But I don't think it would be fair to hold Monzo liable for his losses in circumstances where, as I've found here, it couldn't reasonably have been expected to have done more to prevent them.

Recovery

As the Investigator explained, the chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Such arbitration is subject to the rules of the scheme, meaning there are limited grounds and forms of evidence that will be accepted for a chargeback to be considered valid and potentially succeed.

I agree a chargeback claim is unlikely to have been successful here. On the evidence, including Mr A's comments that once he'd purchased the cryptocurrency he was required to send the funds to the scammer, there's little to suggest any of the payments were made directly to the scammer. And because it seems likely the merchants provided their services as intended, it's unlikely a chargeback would have been successful. I can't therefore uphold this complaint on this basis either. For completeness, I'll also add that any chargeback would have likely fallen outside the typical timescales for submitting a claim in any event, given that the scam was reported to Monzo almost two years after the last disputed payment.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 March 2025.

Thomas Cardia
Ombudsman