

## **The complaint**

Ms B complains Monzo Bank Ltd didn't do enough to protect her when she fell victim to an investment scam.

## **What happened**

Ms B has a current account with Monzo and has been a customer for over three years.

Ms B says she saw a friend's post on a well-known social media platform thanking a third party for helping them make money investing. Ms B says she contacted the third party, and they said that they were happy to teach them how to earn money investing in cryptocurrency. Ms B says the third party told her they had clients in similar circumstances to her who earned \$10,000 daily. Ms B says she told them that she was interested in investing and that she'd start with £300. She says the third party guaranteed that if she invested \$400 she'd get \$8,700 back. In fact, Ms B was talking to a scammer.

Ms B says that the third party showed her how to buy cryptocurrency and gave her wallet addresses to send the cryptocurrency that she'd bought to. She says she was told she'd made an immediate profit but when she tried to withdraw these profits – after managing to make an initial withdrawal – she was told she'd need to pay additional fees. Ms B says she realised she'd been scammed when she kept on being asked to make more payments to withdraw the profits she'd been told she'd made. She contacted Monzo to say she'd been scammed and subsequently complained Monzo hadn't done enough to protect her with the help of a representative.

Monzo looked into Ms B's complaint and said that she'd only provided limited information about what had happened but based on what she'd said it didn't agree that it should have done more. Monzo said that the Contingent Reimbursement Model didn't apply because the card payments Ms B had made from her Monzo account were to an account in her own name. And that it was not in a position to raise a chargeback. Monzo also said that Ms B could and should have done more to check the investment was a legitimate one. Ms B was unhappy with Monzo's response and so complained to our service.

One of our investigators looked into Ms B's complaint and said that none of the payments had flagged on Monzo's systems – and there was no reason why they should have done – and the payments weren't unusual when compared to Ms B's normal account usage so there was no reason why Monzo ought to have intervened. Ms B's representatives disagreed and asked for Ms B's complaint to be referred to an ombudsman for a decision – and sent in additional information. Ms B's complaint was, as a result, passed to me.

## **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 this case I'm satisfied that Ms B made six card payments from her Monzo account to two legitimate cryptocurrency businesses on 9 and 10 May 2022. The largest payment was for

just over £2,000 and the majority were for £300 or less. I'm also satisfied that Ms B sent just over £3,800 in total to the two businesses in question. These payments were to buy cryptocurrency. She subsequently transferred the cryptocurrency she'd bought to wallets whose address the scammer gave her. I'm satisfied that Ms B believe that this is what she had to do in order to make money investing in cryptocurrency – and withdraw profits she was told she'd made – but that she has instead been scammed.

As our investigator has already said, Monzo is entitled to hold customers liable for transactions they've authorised and authenticated. But Monzo also has to have systems in place to, amongst other things, identify when a customer is at risk of harm. And because of that there are times when we might say Monzo ought to have intervened. That might be the case, for example, when a payment is being sent to a company that the FCA has issued a warning about or, for example, when the payment is unusual or out of character. In this case, given that all of these payments went to two legitimate cryptocurrency businesses and given that none of the payments were unusual or out of character, I agree with our investigator that there was no reason why Monzo ought to have intervened. And that Monzo didn't miss an opportunity to prevent this scam.

Given what I've just said, I agree that it wouldn't be fair to hold Monzo liable for any losses Ms B has made or uphold this complaint. I appreciate that this will be disappointing for Ms B – she was going through a lot at the time and this opportunity would have made an enormous difference to her. Instead, she has lost money she'd really needed.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 11 June 2024.

Nicolas Atkinson  
**Ombudsman**