

## **The complaint**

Mr P complains that Monzo Bank Ltd did not refund a series of payments he lost to a scam.

## **What happened**

Mr P was contacted via a messaging service about a job opportunity that was fully remote. He accepted this and began working right away. He had access to a platform in which he had to carry out a certain number of tasks to receive his commission. Some tasks earned a higher commission but required Mr P to deposit his own funds onto the work system via cryptocurrency. Mr P opened a new Monzo account and made a number of deposits ranging from £66 to £8,000 to a cryptocurrency wallet in his name, before sending it onto the scammers. He was told to pay more and more money onto the system and when he still could not withdraw his commission, he realised he had been the victim of a scam.

Mr P raised a scam claim with Monzo and they explained they could not provide a refund as the loss occurred from his cryptocurrency wallet and not his Monzo account. And they explained they could not recover the funds, as they had already been forwarded to the scammer from Mr P's cryptocurrency wallet, so there was nothing further Monzo could do to help.

Mr P referred the complaint to our service and our Investigator looked into it. Monzo did not initially provide a file for the Investigator to consider, and they issued an initial view upholding the complaint from the payment of £4,500 onwards, as they felt Monzo should have intervened prior to this payment being made, and if they had, it was more likely the scam would have been revealed.

Following this, Monzo provided a full file, including all of the correspondence between themselves and Mr P. This showed that Monzo did intervene in an earlier payment of £2,710 and asked Mr P questions about it. However, Mr P did not set out the true purpose of the payment and instead explained it was just a general cryptocurrency investment and that he was aware of the risks involved. Because of this, the Investigator did not think Monzo had made an error when it did not uncover the scam, as they could only act on the information provided by Mr P in the circumstances. And they did not recommend the complaint was upheld.

Mr P's representative did not accept the outcome. Having reviewed the correspondence between Mr P and Monzo, they did not think the questions Monzo asked about the payments were probing enough.

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.

Having done so, I'm satisfied that Mr P has been the victim of a task-based job scam, and I'm sorry he's had to go through this experience. What's left for me to decide is if Monzo should reasonably have done more to protect Mr P's account from financial harm.

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 Mr P authorised the payments in question as he believed they were part of a legitimate job opportunity. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Monzo was obliged to follow Mr P's instruction and process the payments. Because of this, he 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 Mr P's account safe.

I can see that Monzo did intervene relatively early in the scam journey and paused a payment as they had concerns Mr P may be the victim of a scam. They asked Mr P what the payment was for and to provide any screenshots of the conversation between himself and the sender. In response, Mr P confirmed he was purchasing cryptocurrency with a verified and trusted seller, that it was a personal investment, and he was aware of the risks involved but wanted to continue.

I've considered Mr P's representatives comments that Monzo's questions were not probing enough and did not ask specifically about job scams. And I accept that Monzo's follow up questions were centred around crypto currency investment scams. However, this was in response to the information provided by Mr P, that he was investing in cryptocurrency and no one else was helping him with this.

I've reviewed Mr P's correspondence with the scammers, and I can see that he was coached on what to say to Monzo and his other banks when making payments in connection to the scam. He was advised to only say he was purchasing cryptocurrency to invest and that he was acting alone. I can see he copied and pasted a paragraph provided by the scammer in response to Monzo's questions and he followed their instructions when giving yes and no answers. In addition, the scammer mentioned that Monzo would warn him about being coached by individuals and appeared to joke about this, suggesting that it should not be taken seriously.

Considering the fact that Mr P followed the scammer's instructions and relayed everything Monzo was asking in the chat so they could formulate a response together, it is difficult for me to agree that more probing questions from Monzo would have revealed the scam. Instead, I think it's more likely the scammer would have continued to guide Mr P into saying he was investing in cryptocurrency and was aware of the risks involved. So, I don't think Monzo could have done more to reveal the scam in the circumstances. And I can see they

did provide a warning about scammers providing cover stories when they spoke with Mr P.

With the above in mind, I do not recommend that Monzo reimburse Mr P in the circumstances. I also do not think Monzo could have done more to recover Mr P's funds once they became aware of the scam. I say this because Mr P has said he forwarded the funds from his cryptocurrency wallet onto the scammers before making Monzo aware of the scam, so there was nothing left to recover in the circumstances.

### **My final decision**

I do not uphold Mr P's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 September 2024.

Rebecca Norris  
**Ombudsman**