

Complaint

Ms J is unhappy that Monzo Bank Ltd didn't refund her after she told it she'd fallen victim to a scam.

Background

Ms J was looking to buy a second-hand car. In November 2023, she found one advertised online. Her partner contacted the seller. The seller invited them to come and look at the car and pay for it if they were happy. Ms J met the seller in person and saw the car. It looked in reasonable condition and the seller could show that it was their car to sell. She agreed to pay £1,100 to the seller on the same day and ownership of the car was transferred to her.

Ms J has said that, after she started driving the car, it broke down. A mechanic inspected the car for her and found several major faults. I understand the mechanic told Ms J that the seller would've been aware of them at the time. She has since had to spend money on having the car repaired.

She did try to contact the seller but found that she'd been blocked by them. She contacted Monzo to say she'd fallen victim to a scam. As far as I can see, it didn't respond to her. Ms J was still unhappy and so she sent her complaint to this service. An Investigator looked into it. The Investigator said that Monzo didn't need to refund Ms J. She said that Ms J had a "*civil dispute*" with the seller of the car, but she wasn't a victim of fraud.

Ms J disagreed with the Investigator and so the case was passed to me to come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The starting position is that Monzo is expected to process a customer's payments when it's asked to do so. But that's not the end of the story. Monzo has agreed to follow the Contingent Reimbursement Model Code (CRM Code).

In some cases, the Code asks banks to refund customers who are victims of fraud and scams. But it doesn't cover every situation. It says that it doesn't cover "*private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.*"

I can only uphold Ms J's complaint if I think that the seller of the car knowingly defrauded her. I'm afraid I don't think the evidence shows that to be the case. The car is clearly in a worse condition than she expected. It doesn't sound like it was fit for purpose. But as the Investigator explained, disputes about the quality of goods aren't covered by the Code.

I accept the seller wasn't upfront about the problems with the car, but that alone doesn't mean that they've committed the crime of fraud. It might enable Ms J to take legal action against the seller through the small claims court, but it wouldn't entitle her to have the payment refunded by the bank.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

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

James Kimmitt
Ombudsman