

## **The complaint**

Miss T complains that Monzo Bank Ltd did not refund a series of payments she lost to a scam.

## **What happened**

Miss T was contacted on a messaging app about a job opportunity. She accepted the offer as it allowed her to work remotely and have flexible hours. As part of the job, she would have to open a crypto currency wallet and make deposits in USDT onto the work app, to earn more commission. Despite completing all of the tasks, she was still unable to withdraw her commission and soon realised she had been the victim of a scam.

Miss T raised a scam claim with Monzo about the three transfers she made to individuals to purchase cryptocurrency directly from them:

- 15/11/18 - £55.10
- 17/11/18 - £74.62
- 18/11/18 - £2,834.10

Monzo looked into the claim but could not recover the funds as the payments had gone to individuals genuinely selling cryptocurrency, and they did not agree to refund Miss T internally.

Miss T referred the complaint to our service and our Investigator looked into it. The explained that the payments were not covered by the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code, as the transfers had been used to genuinely purchase cryptocurrency and had not gone directly to a scammer. And they did not think the amounts were so significant that they warranted intervention by Monzo prior to them being processed. So, they didn't think Monzo needed to refund Miss T in the circumstances.

Miss T's representative disagreed with the outcome. In summary, they said that the £2,384.10 was very unusual when compared to Miss T's genuine account history and it put her significantly into her overdraft, so there should have been further checks on it by Monzo.

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.

I'm satisfied that Miss T has been the victim of a particularly cruel scam that targets individuals looking for additional sources of income, and I'm sorry she's had to experience this. What I have to decide is if Monzo should reasonably have done more to protect her account from financial harm. As has already been explained, the transactions in question are not covered by the CRM Code, but Monzo still had a duty of care to Miss T.

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

I've reviewed Miss T's statements and considered the scam payments alongside her normal account activity. The initial two payments were very similar to genuine payments Miss T made on the account and were of relatively low values, so I don't think these should have flagged for Monzo as unusual.

Miss T's representative has said the payment of £2,834.10 was significantly higher than other payments on the account so it should have been referred for further checks. While the payment was higher than other transactions on the account, I don't think the value alone was so significant that Monzo should have intervened prior to processing it. Ultimately there is a balance to be struck for Monzo – and it is not reasonable for them to be involved in every transaction a customer makes. On balance, I don't consider the value of this payment to be high enough for Monzo to have had concerns that Miss T was at risk of financial harm, even considering what Miss T's normal spending on the account was.

I've also considered that the final payment took Miss T significantly into an overdraft. Looking at the history on the account, it was not unusual for Miss T to go into her overdraft as she would very often dip in and out of it. While the amount of overdraft did increase, I don't think this alone would be enough for me to agree Monzo should have intervened and carried out further checks on the payment before processing it. With all of this in mind, I don't think Monzo missed an opportunity to reveal the scam, so I don't recommend that they refund Miss T.

As has already been explained, the transfers Miss T made were to individuals to purchase cryptocurrency, which she then forwarded to the scammers. Because of this, Monzo was unable to recover the funds from the beneficiary accounts, as the sellers of the cryptocurrency were not involved in the scam. So, I don't think Monzo made an error when they were unable to recover the funds.

### **My final decision**

I do not uphold Miss T's complaint against Monzo Bank Ltd

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 8 July 2024.

Rebecca Norris  
**Ombudsman**