

## The complaint

Mr S complains that Monzo Bank Ltd (Monzo) won't refund him money he lost in a fake job scam.

Mr S is represented by a third party, but for ease of reading, I'll refer only to him.

## What happened

The facts of this complaint are well known to both parties, so I have summarised what I consider to be the key points.

Mr S says he received an unsolicited message, through a popular messaging app, about an employment opportunity that involved rating apps. He says he researched the company online and saw that it had a website that looked legitimate.

It was explained to him that he would be paid for rating apps, but it might be necessary to pay amounts into an online account to unlock his earnings, which he would then be able to withdraw together with his earnings.

He says he started small and his 'investment' showed that it was doing well, this gave him confidence the job was real. He says that as part of his training he was shown how his funds would grow and how to make withdrawals. However, when he came to make withdrawals, he says he came across various obstructions and was told he needed to pay various amounts into his online account to release his earnings. He was in a group chat with others who said they had come across similar issues, but they had been able to overcome them and make withdrawals, so on that basis he paid money into his online account. Mr S wasn't able to access any money and received further demands to invest more money in order to access his earnings. He borrowed money from family and friends and took out loans to pay money into his online account with the scammers, in order to unlock his earnings, but he eventually realised he had been scammed.

Mr S made the following payments:

| Date on statement | Payee                     | Amount | Method         |
|-------------------|---------------------------|--------|----------------|
| 27/09/2023        | Cryptocurrency provider A | £500   | Faster Payment |
| 27/09/2023        | Cryptocurrency provider B | £2000  | Faster Payment |
| 27/09/2023        | Cryptocurrency provider B | £2360  | Faster Payment |
| 28/09/2023        | Cryptocurrency provider A | £9000  | Faster Payment |
| 29/09/2023        | Cryptocurrency provider B | £7410  | Faster Payment |
| 30/09/2023        | Cryptocurrency provider B | £7000  | Faster Payment |
| 01/10/2023        | Cryptocurrency provider A | £2000  | Faster Payment |

Mr S considers Monzo should have intervened when he was making the second payment because the pattern of transactions was unusual and he thinks Monzo should have detected they might be part of a scam. This was a series of large payments, over a short period of time, to cryptocurrency providers. If Monzo had intervened, provided sufficient warnings, and challenged the payments, Mr S says he wouldn't have made the payments.

Our investigator didn't uphold the complaint. He did consider that Monzo ought to have intervened by the time of the £9,000 transaction on 28 September 2023. By that time, three payments had been made already to cryptocurrency trading platforms, in increasing amounts and the £9,000 payment was a very significant increase in that pattern. He noted that Monzo had provided no evidence of any fraud warnings having been provided.

But the investigator thought Mr S bore responsibility for the transactions and there were a number of "red flags" that ought to have caused Mr S concern. These were: the nature of the job opportunity, the manner in which Mr S became aware of it, that he had to invest money and the reservations Mr S expressed about the job in the messages he exchanged with the scammers. He noted that Mr S had an account with an electronic money institution (EMI), and that the EMI had intervened on a payment Mr S tried to make to the same scammers. The investigator said this was important because Mr S hadn't provided genuine answers to the EMI's questions and despite it stopping the payment and providing risk warnings, Mr S attempted the payment again, with it being blocked again. He then sent money to another of his accounts and had eventually been able to make payments to the scammers. Overall, the investigator thought the evidence suggested that Mr S was unlikely to have heeded any scam warnings provided by Monzo even if it had intervened.

### **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.

There is no dispute that Mr S authorised the payments, even though he was tricked into doing so and was the victim of a scam. I appreciate he didn't intend his money to go to scammers. Under the Payment Services Regulations 2017, Mr S is liable for the loss in the first instance. But the matter doesn't end there.

I need to consider whether Monzo could have taken any steps to prevent Mr S's loss and whether, if it had taken those steps, this would have prevented the loss. On balance, while I consider there were additional steps Monzo ought to have taken, I'm not persuaded they would have prevented Mr S's loss.

On balance, I consider the pattern of transactions was unusual and out of character for this account. In the months leading up to the fraud, the account statements show frequent low value transactions for less than £400. A series of escalating payments to a cryptocurrency provider, over a relatively short space of time, was unusual. I agree with the investigator that certainly by the time of the fourth transaction, for £9,000, the pattern of transactions was sufficiently unusual that Monzo ought to have intervened. It's arguable it could have intervened sooner, given that there were three transactions on 27 September 2023, for escalating amounts, clearly destined for a cryptocurrency provider.

But if Monzo had intervened, I'm not persuaded it would have prevented Mr S's losses. I say this because when his EMI did intervene on a payment Mr S was making to the scammer, Mr S didn't engage with it. The EMI's records show a transaction to the scammer on 27/09/2023 at 13:11:46 was blocked. I can see a record of a conversation between the EMI and Mr S starting at 14:11:44 on 27/09/2023. The records indicate Mr S was warned there was a high chance this was a fraud. They show that while Mr S had said the payment was being made to a family member or friend, the EMI thought there was a high chance the payee was not who they said they were. It said if Mr S continued with the transfer the most likely outcome was that he would lose his money. Mr S replied and said this was a transfer to family. But the transaction was stopped and Mr S was urged to contact the payee by a

different method and asked by the EMI to tell it more about what had happened. Mr S doesn't appear to have engaged further.

Monzo did have more information available to it than Mr S's EMI. For example, Monzo was aware the payments were being made to a cryptocurrency provider, so it might have been able to provide more tailored risk warnings. But I'm not persuaded intervention from Monzo is likely to have prevented Mr S's loss, for reasons I'll go on to explain.

I have been provided with a message thread from a popular messaging app, showing Mr S's conversation with a person purporting to be doing similar work to Mr S. On 26/09/2023 at 15:29:46 Mr S says he thinks the job is a scam and by 15:59:06 he says he feels like eventually he would put a lot in and wouldn't get it back. On various other occasions Mr S expressed his belief that this was a scam, but he kept paying money in, suspecting it was a scam. Whilst the messages from the other person are generally reassuring and seem to have been designed to persuade Mr S to persevere, it seems clear he had genuine reservations that this could be a scam, fairly early on.

Mr S says if Monzo had intervened and blocked the transaction for £2,000 on 27 September 2023, he wouldn't have proceeded with subsequent payments. But I think this is lent less weight by the fact that the EMI did intervene on a different payment, seemingly before he made these payments to the scammer from his Monzo account. The EMI blocked payments, asked him questions, warned him there was a risk this was a scam, based on the limited (and inaccurate) information Mr S had provided and Mr S transferred his money to Monzo and made payments to the scammer via cryptocurrency platforms. By that point he had already considered the possibility this was a scam, having mentioned it in his conversations on the messaging app.

I consider it more likely that if Monzo had spoken to Mr S and asked him what the purpose of the payments was, he wouldn't have provided full and accurate information and would have attempted to make the payments despite any warnings, as he had previously. On that basis, I'm not persuaded intervention by Monzo would have prevented Mr S's losses and so I don't consider it needs to do anything further.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 December 2024.

Greg Barham  
**Ombudsman**