

## The complaint

Mr O complains that Monzo Bank Ltd won't refund the money he lost when he was the victim of a scam.

## What happened

In January 2023, Mr O had been looking for work and received a text message from someone who said they'd been passed his details by a recruitment company he'd used. The message asked if he was interested in an online job they had available and, as Mr O said he was interested, he was then told he would be contacted by someone from the job website.

Mr O was then contacted by someone who said they worked for an online marketing company, and that his job would be rating third-party products in order to help boost their online presence and ratings. He was shown how to set up an account on the marketing company's platform, make payments to the platform using cryptocurrency to funds the tasks he would complete, and then complete tasks to earn commission.

Mr O then made a number of payments from his Monzo account to purchase cryptocurrency, which was then sent on to wallet details he was given for the marketing company. I've set out the payments Mr O made from his Monzo account below:

Date	Amount
1 February 2023	£11
1 February 2023	£5
2 February 2023	£6
2 February 2023	£14
2 February 2023	£27
4 February 2023	£50
4 February 2023	£50
4 February 2023	£190
6 February 2023	£1,165
6 February 2023	£2,900

Unfortunately, we now know the marketing company was a scam. The scam was uncovered after the marketing company kept asking Mr O for more and more money before he could complete the tasks he had agreed to. Mr O then realised he had been the victim of a scam and asked Monzo to refund the money he had lost.

Monzo investigated but said the payments were all made to another account under Mr O's control, so it didn't agree to refund them. It also said it had been unable to recover the payments from the bank they were sent to. Mr O wasn't satisfied with Monzo's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think Monzo needed to have intervened or shown Mr O any warnings before allowing the payments to go through, so

didn't think it should have to refund the payments. Mr O disagreed with our investigator, so the complaint has been 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.

Banks are expected to make payments in line with their customers' instructions. And Mr O accepts he made the payments here. So while I recognise he didn't intend for the money to ultimately go to scammers, he did authorise the payments. And so the starting position in law is that Monzo was obliged to follow his instructions and make the payments. So Mr O isn't automatically entitled to a refund.

However, the regulatory landscape, along with good industry practice, sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

And so I've also considered whether Monzo should have identified that Mr O was potentially at risk of financial harm from fraud as a result of any of these payments.

But the payments Mr O made here weren't for particularly large amounts, or for amounts where I'd expect Monzo to identify them as suspicious based on their size alone. They didn't leave the balance of Mr O's account at particularly unusual levels. And the payments were relatively spread out across several days and didn't escalate in either amount or frequency particularly quickly, so I don't think they formed the kind of pattern I'd expect Monzo to have identified as suspicious either.

And while these payments were made to cryptocurrency exchanges, which can be used by scammers to move victims' money, I don't think this by itself means that Monzo should have intervened before allowing any of these payments to go through. And, looking at these payments as a whole, I think it's reasonable that they wouldn't have looked particularly suspicious or unusual to Monzo.

So I wouldn't have expected Monzo to identify that Mr O could be at risk of financial harm as a result of any of these payments. And I don't think it's unreasonable that it didn't take any further steps or carry out any additional checks before allowing them to go through, and just followed his instructions and made the payments.

Mr O has mentioned the vulnerable position he was in at the time and the impact this scam has had on him. Any my intention isn't to diminish the difficulties the circumstances he

mentioned can cause, and I don't underestimate the impact the scam has had on him. But, from what I've seen, I don't think his circumstances were such that I would have expected Monzo to have taken significantly different action. And so I still don't think Monzo acted unreasonably in allowing the payments to go through.

I sympathise with the position Mr O has found himself in. He has been the victim of a cruel scam and I appreciate that my decision will come as a disappointment to him. But, for the reasons I've set out above, I don't think Monzo has acted unreasonably or that anything I would reasonably have expected it to do would have prevented this scam. And so I don't think it would be fair to require it to refund the payments he made.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 19 July 2024.

Alan Millward  
**Ombudsman**