

The complaint

Miss J complains that Monzo Bank Ltd won't refund her the money she lost after she fell victim to an Authorised Push Payment ("APP") scam.

Miss J brings her complaint with the assistance of professional representation, but for readability, in what follows I will refer solely to Miss J.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here, but in summary I understand it to be as follows.

In October 2023, Miss J received a message through a well-known social media platform about an investment opportunity. Miss J has said she was curious, so she messaged back and was then contacted by who she believed, from looking at their online profile, was a successful trader. But unknown to her at the time she was speaking to a fraudster.

Believing things to be genuine, Miss J decided to invest. She initially tried to make a payment from an account she held with another financial firm (who I'll refer to as 'Firm A'). Firm A had concerns about the payment Miss J was trying to make and so blocked the payment and asked her to attend one of its branches. On attending the branch, Miss J has said that Firm A wouldn't allow the payment to be made and given the concerns it had, it also called the police who attended the branch and spoke to Miss J about the risks of cryptocurrency investments and online influencers.

However, Miss J has said that throughout the fraudster was guiding her and telling her what she should say. Where she was unable to make the payments from Firm A, Miss J has said the fraudster suggested that Miss J open a Monzo account in order to be able to make the payments. Still believing this to be a genuine investment opportunity, Miss J set up a Monzo account and followed the fraudsters instructions in making the following payments, which were subsequently converted into cryptocurrency and sent to accounts the fraudsters controlled. The payments for this scam are payments 1 to 6 in the table below and I'll refer to this as 'scam 1'.

Sadly, around the same time, Miss J also fell victim, and made payments from her Monzo account to two other scams. Payment 7 in the table below reflects a payment Miss J made as a result of what I'll refer to as 'scam 2' and payments 8 to 12 in the table were made towards what I'll refer to as 'scam 3';

Payment	Date	Payment to	Amount	Scam
1	10 October 2023	Payee 1	£1,500	1
2	10 October 2023	Payee 1	£1,270	1
3	10 October 2023	Payee 1	£80	1
4	10 October 2023	Payee 1	£500	1
5	12 October 2023	Payee 1	£1,350	1
6	12 October 2023	Payee 1	£100	1
7	21 October 2023	Payee 2	£2,000	2

8	10 November 2023	Payee 3	£2	3
9	10 November 2023	Payee 3	£16.96	3
10	17 November 2023	Payee 4	£100	3
11	17 November 2023	Payee 4	£300	3
12	17 November 2023	Payee 4	£500	3

Miss J realised she'd been scammed (scam 1) when she asked a family member to lend her some money, on telling them why she needed the money her relative told her she was being scammed. She raised the matter with Monzo, but it didn't agree to refund her the money she lost.

Unhappy with Monzo's response, Miss J brought her complaint to this service. One of our Investigators looked into things but didn't uphold the complaint. In summary, he didn't think the payments ought to have appeared unusual to Monzo and so they didn't warrant an intervention. Our Investigator added that, even if Monzo had intervened, he didn't think it would have made a difference and stopped Miss J from making the payments.

Miss J didn't agree with our Investigators view. As agreement couldn't 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 very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Miss J has confirmed that the payment for scam 2 (payment 7 in the table above, for £2,000) has already been refunded to her by another financial firm. As have the payments for £100, £300 and £500 (payments 10 to 12 in the table above), which formed part of the payments made for scam 3. Given Miss J has received refunds for these payments, I haven't considered them any further in this decision.

I'm sorry to hear of what's happened to Miss J, and I can understand entirely why she feels so strongly that this money should be returned to her. But having thought very carefully about Monzo's actions, I think it did act fairly and reasonably in allowing the payments to leave her account. I'll explain why.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Monzo ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Firstly, I have considered the first six payments in the table above. Having considered everything carefully I don't think I can fairly and reasonably say that, in the individual circumstances of this case, I could have expected Monzo to have intervened. I say that as the account was newly opened, so Monzo didn't know what would constitute as 'typical account usage' for Miss J. I also don't consider that the value of the payments being made were remarkable enough to have caused Monzo concern and the reason Miss J had given

for opening the Monzo account, was broadly in line with who she was sending the payments to.

Overall, while in the circumstances here it is finely balanced, as there are a number of payments on the same day, I don't consider enough of a pattern had been formed to suggest Miss J might be at a heightened risk of financial harm due to fraud or a scam, such that I would have expected Monzo to have intervened.

For completeness, even if I did think Monzo should have intervened, which for the avoidance of doubt and for reasons explained above I don't, I don't think it would have made a difference and stopped Miss J from going ahead with the payments.

I say that as even if Miss J had told Monzo the genuine purpose of the payments, which is questionable given that the evidence shows Miss J later went on to give inaccurate answers about the purpose of a £5,000 payment she attempted to make from Monzo (that was blocked and that I'll go on to mention below), I think a proportionate response would have been for Monzo to have provided a tailored warning that was specifically about the risk of investment scams.

But I don't think this would have stopped Miss J wanting to progress with the payments, I say this because Miss J had been subject to social engineering and was being coached extensively by the scammer. This coaching included how she should answer questions posed about the payments she was making. From what I've seen, Miss J broadly followed the fraudsters instructions, which I think is evident with what happened with Firm A, where Miss J moved passed warnings given by both Firm A and the police, instead moving to Monzo to make the payments.

Overall, for the reasons I've explained, even if Monzo had done more, I think it's more likely than not Miss J would've reverted to the fraudster on how to answer any questions and would likely have done so in such a way as to avoid alerting Monzo to what was really happening.

All that leaves me to consider, given Miss J has received a refund for the other payments, is payments 8 and 9 in the table above. I'm mindful that, on 13 October 2024, Monzo did block another payment Miss J attempted for £5,000 and entered into a conversation with Miss J through its in-app chat. Through this chat, on 14 October 2024, Miss J told Monzo she'd been the victim of a scam.

So by the time payments 8 and 9 were being made I would reasonably have expected Monzo to have been mindful of what Miss J had told it and to have taken that into consideration for any future payments she went on to make. But when thinking about this, I'm also mindful that Monzo has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There is a delicate balance to be struck. There are many millions of payments made each day and it would not be possible or reasonable to expect a bank to check each one.

Having thought about this carefully, given the low value of payments 8 and 9, I don't think I can fairly and reasonably say that I would have expected Monzo to have intervened on these payments. They were also going to a different payee, when compared to the £5,000 payment that was blocked and the previous payments made from the account, so there wasn't an obvious link to the payments Miss J had flagged with Monzo as being related to scams.

I've also considered if Monzo could have done more to help Miss J recover the funds when she reported the scam. But as the funds were subsequently moved on, from accounts Miss J

controlled, to the fraudsters by way of cryptocurrency, they didn't remain in the account they were sent to directly, meaning Monzo unfortunately couldn't have recovered the loss.

It's very unfortunate Miss J has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for her. But in the circumstances, having carefully considered everything, I don't find Monzo could have reasonably prevented Miss J's loss here. Neither do I find there were any other failings on Monzo's part that would lead me to uphold this complaint.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 22 April 2025.

Stephen Wise
Ombudsman