

The complaint

Mr P is unhappy with the service Monzo Bank Ltd provided after he fell victim of an authorised push payment (APP) scam.

What happened

Mr P says he has been a victim of a cryptocurrency investment scam where he was contacted via social network platform to invest. Mr P says he researched the investment company online and was unable to find any negative comments. Mr P was also added to a group chat where he was talking to other people and was told they had made profits. He was given access to a portal where he monitored his investment which looked very professional, all this combined made Mr P feel confident the company was legitimate.

Mr P has said the scammer helped him set up a wallet on a cryptocurrency platform. He transferred £6,200 on 23 February 2023 and £8,200 on 24 February 2023 from his Monzo account to a wallet in his own name, which was then sent on to the scammer. Mr P realised there was an issue when he attempted to withdraw the funds and was unable to do so. He says Monzo should have done more to question these payments and would like the payments refunded plus 8% statutory interest.

Monzo has said that as the account was opened on 8 February 2023 there wasn't enough transaction history to determine if the payments were unusual or uncharacteristic of Mr P's usual spending pattern. This accompanied by the fact the consumer was transferring to an account in his own name means there wasn't a need for it to intervene.

Mr P brought the complaint to our service and the investigator issued his findings. He said he didn't think that Monzo went far enough and missed an opportunity to discuss the payments with Mr P. Had Monzo intervened and asked further questions he felt the scam would have been uncovered and Mr P wouldn't have lost his money. But he also said that Mr P ought to bear some liability for the loss because he didn't act reasonably and there were some red flags which he ignored. As such the investigator said Monzo should pay 50% of the £14,400 plus 8% interest from 23 February 2023 to the date the settlement is paid. Monzo didn't agree, so the case was referred to me for a final decision.

I issued my second provisional findings on 16 May 2024 where I said the following:

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

As highlighted above, Mr P didn't receive a refund from a third-party bank in relation to these transactions. In my first provisional decision I said that I was satisfied the transactions in question were sufficiently out of character and unusual not only based on the payment value (although I do believe it was substantial enough that it ought to have triggered) but also the frequency of payment and to a well-known cryptocurrency provider. Therefore, I concluded that Monzo ought to have contacted Mr P and asked him to provide further details about the payments in question. I went on to say I was persuaded, if Monzo had intervened earlier, Mr P would have provided it with the information it needed to unveil the scam.

However, I also said that Mr P didn't act as I'd reasonably expect. And because of that I'm persuaded that contributed to his losses. In these circumstances we would say that a 50% deduction is fair to reflect Mr P's contributory negligence. In relation to these points, my provisional findings remain the same.

However, as Mr P didn't receive a refund from a third-party bank and I have explained why I think Monzo ought to have done more, it's reasonable to conclude that Monzo should pay 50% of the total transactions (£14,400) plus 8% interest from 23 February 2023 to the date of settlement"

Mr P' representative responded and accepted my provisional findings on behalf of Mr P. Monzo also accepted my provisional findings.

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.

As both Mr O and Monzo have responded and accepted my provisional findings, my decision remains the same, as I have outlined above.

Putting things right

Monzo should pay 50% of the total transactions (£14,400) plus 8% interest from 23 February 2023 to the date of settlement.

My final decision

My final decision is that I uphold this complaint and require Monzo Bank Ltd to pay Mr P as instructed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 July 2024.

Jade Rowe
Ombudsman