

The complaint

Miss T complains that Monzo Bank Ltd ('Monzo') won't refund the money she lost as a result of an employment scam.

What happened

The background to this complaint is known to both parties, so I won't repeat all the details here. In summary, Miss T says:

- She was applying for work and was contacted on her messaging app by an individual (the scammer) claiming to be from a recruitment company about a job opportunity. She searched online and saw the company was legitimate. For the job itself, it was explained her role was to complete reviews to help vendors with product data and maximise sales. And that she'd earn a 'salary' and 'commission' for completing sets of 'tasks'.
- To make the scam more convincing she was given access to a 'work' platform, given some training, and added to a 'customer service' group for support if needed. As part of the process, she had to deposit her own funds to 'buy' the items she thought she was 'rating'. These deposits were paid in cryptocurrency which she bought by sending funds from her bank ('B'), to her accounts with Monzo and another firm ('R'), and from there to crypto-exchanges. It was this cryptocurrency that was then lost to the scammer.
- She received part of her 'salary' and 'commission' at first. But she was shocked when she was later told she had to deposit significantly more or she'd lose all her money. And she realised she'd been scammed when, having borrowed and paid more funds, she was again told she needed to pay much more still to access her funds.

A complaint was raised and later referred to our Service. Our Investigator considered it. In summary, he said there was enough about one of Miss T's payments on 29 June 2023 for Monzo to have intervened. But he wasn't persuaded an intervention would have brought the scam to light. On the evidence, given also the scam tactics used and the pressure Miss T was under, he thought she'd have likely gone back to the scammer for guidance if payments were blocked for them to go through. In reaching this view, he noted when Monzo intervened on some payments, Miss T reverted to the scammer and didn't reveal she was paying to buy cryptocurrency. He also thought Monzo's recent offer to pay a further £80 (together with the £135 it had paid) was fair for the poor service Miss T received during her scam claim.

As the matter couldn't be resolved informally it's been passed to me to decide.

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.

Having done so, I've reached the same conclusions as the Investigator and for broadly the same reasons.

- It's not in dispute that Miss T was scammed. It's also not in dispute that she authorised the payments from her Monzo account. So, although she didn't intend her money to go to a scammer, under the Payment Services Regulations 2017, Miss T is presumed liable for her losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.
- But that's not the end of the matter. There are some situations where I consider that a firm (like Monzo), taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious. And, in this case, I think it's arguable Monzo ought to have contacted Miss T to discuss the circumstances surrounding her payment for £3,750 on 29 June 2023 considering, for example, the payment value, the spending pattern that had developed by that point, and what Monzo ought to have known about the recipient.
- That said, even accepting Monzo ought to have done more to protect Miss T from the risk of financial harm from fraud, it's also important to consider whether an intervention would have likely made a difference – and, on balance, I'm not persuaded it would have.
- This is because the evidence shows Miss T was prepared to give incomplete information about the nature of her payments if questioned. In reply to the Investigator's outcome, she accepts she was following the scammer's instructions. I can't overlook that, in her scam report to 'B', she said she'd made the scammer aware when payments were blocked, that the scammer kept telling her to find another way to make payments, and that the scammer told her not to reveal the use of cryptocurrency. I can also see that when Monzo did block some later payments, she reverted to the scammer and was told not to talk about "*crypto or investment*". She replied "*Ok*" and went on to tell Monzo she was making "*personal transactions*" and sending money to 'R' to buy "*goods*". There was no mention of cryptocurrency being purchased as part of a job opportunity.
- I can't know for sure how things would have played out if Monzo had stepped in to ask Miss T about the nature of her payment for £3,750. I'm mindful that the involvement of cryptocurrency would have been apparent given what Monzo ought to have known about the payee. And I'm mindful the cover story Miss T was given may not have been enough to have satisfied Monzo there was no scam risk. But, despite our requests, Miss T hasn't provided us with more information so I can better understand, for example, the extent to which she was coached by the scammer. In the circumstances, bearing in mind there's evidence to suggest Miss T would have reverted to the scammer when payments were blocked; was prepared to follow their instructions; believed she had to pay or she'd lose her money, I'm not persuaded an intervention would have been successful in preventing her losses. I think the 'spell' was such that it's likely she'd still have reverted to the scammer and, with their instructions, found a way for her payments to be made.
- In terms of recovery, there was little Monzo could have done to recover payments Miss T made to her other accounts. Those funds had been sent on to the scammer by the time the scam was reported. As for the card payments to the crypto-exchanges, it's unlikely a chargeback claim would have had any prospect of success given there's no dispute that the cryptocurrency was provided by those merchants as intended.

- In its final response, Monzo said it would pay £135 to Miss T's account for the time it took to deal with her scam claim. It has since offered a further £80 for failing to provide information to help Miss T with money concerns. I've looked at Miss T's contact with Monzo. I can see there was a significant delay in her receiving an outcome on her claim and that there was also a lack of replies at times. But, like the Investigator, I think the payment of £135 was fair settlement, considering the additional stress and anxiety these issues would have caused Miss T at an already difficult time. I also consider the offer to pay Miss T an additional £80 is fair settlement for any upset caused as a result of Monzo's failure to provide information on financial support.

Putting things right

I recognise Miss T was the victim of a cruel scam. But I can only direct Monzo Bank Ltd to refund her losses if I'm satisfied that any failings on its part made a material difference to what happened. For the reasons given, I'm not persuaded that they did.

But I agree that Monzo Bank Ltd should now pay Miss T the further £80 it has offered for the lack of service provided during its handling of her scam claim.

My final decision

For the reasons above, I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 18 April 2025.

Thomas Cardia
Ombudsman