

## The complaint

Miss Q complains Monzo Bank Ltd (“Monzo”) didn’t do enough to prevent her from falling victim to a fake job scam and that it failed to offer her appropriate support after she reported what had happened to her.

Miss Q wants Monzo to reimburse her the money she lost to the scam and provide her with appropriate compensation for distress caused.

## What happened

As both parties are familiar with the circumstances of this complaint, I’ve summarised them only briefly below.

Miss Q fell victim to a fake job scam and was sadly duped into making payments to a scammer. As part of the scam, Miss Q was asked to set up an account with a third-party money transfer service – “R”. Miss Q then made the below payments to R where the funds were converted into US Dollars and moved out to the scammer’s accounts:

Date	Time	Type of payment	Amount
1 June 2024	12:07pm	Payment to Miss Q’s account at R	£58.99
2 June 2024	7:21pm	Payment to Miss Q’s account at R	£295.94
2 June 2024	8:12pm	Payment to Miss Q’s account at R	£1,205.99

Monzo also declined a transaction between payments 2 and 3. Miss Q also received some returns into one of her other accounts after she made the first payment amounting to £144.

Miss Q, after realising she had been scammed, reported the matter to Monzo. Monzo didn’t offer Miss Q a refund of the amount she had lost, and it said it couldn’t recover any of the funds that were transferred to the scammer either. However, it did recognise that it could’ve provided Miss Q with more support after she reported being the victim of a scam and it offered her £130 in compensation to recognise this.

Unhappy with Monzo’s response, Miss Q brought her complaint to our service. One of our investigators looked into things but didn’t recommend the complaint be upheld. They didn’t think there was anything suspicious about the payments Miss Q had made which meant Monzo should have spoken to Miss Q about them before they left her account. They therefore didn’t consider that Monzo could have prevented Miss Q’s loss and for this reason, Monzo wasn’t liable to refund the payments now. The investigator also felt that the £130 compensation put forward by Monzo was reasonable given the poor service experienced by Miss Q.

Miss Q didn't agree with the investigators view and as an agreement could not be reached the complaint was passed to me to decide.

I reviewed the complaint and reached out to Monzo as I didn't think the £130 offered to Miss Q was enough. Monzo agreed to increase the compensation offered to Miss Q to £300 (£130 of which had already been paid).

Miss Q remained unhappy with Monzo's overall response to her complaint and requested 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

I'm aware that I've summarised this complaint and the responses 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 – which is to determine whether Monzo should have done more to prevent the loss of Miss Q's funds.

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 an alternative to the courts.

I also want to say how sorry I am to hear that Miss Q has fallen victim to such a cruel scam. I appreciate she has lost a lot of money, and this has had a significant impact on her personal circumstances. But I also have to stress that it is my role to assess whether Monzo should've done anything more than it did in order to protect Miss Q from financial harm and, in the particular circumstances of this case, I don't think it should.

So, whilst I'm sorry to disappoint Miss Q, I won't be recommending Monzo refund her the amount she lost to the scam. And I'm satisfied the compensation already offered to her is reasonable given Monzo's service failings too. I know Miss Q is the victim here, but I don't believe Monzo has acted unfairly or unreasonably in its answering her complaint. I'll explain why below.

In broad terms, the starting position at law is that a payment service provider (in this case, Monzo) is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of their account.

Miss Q authorised the payments in dispute and that's accepted by all parties. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Miss Q is responsible for the payments. That remains the case even though Miss Q was the unfortunate victim of a scam.

The payments Miss Q made aren't covered by The CRM Code as she has suggested. This is because the payments initially went to an account in Miss Q's own name. The Code is not

applicable to such payments. So, even if Monzo had signed up to it, it wouldn't be applicable in Miss Q's circumstances. This means that Miss Q has no automatic right to reimbursement.

However, there are times when, dependent on the payment that I might expect a payment service provider, such as Monzo, to question a transaction or payment, even though it may have been properly authorised.

So, in this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Miss Q when she made the payments, or whether it should have done more than it did.

So, I've first thought about whether Monzo should've intervened and spoken to Miss Q before allowing the scam payments to leave her account. And I don't think it should. The payments here are of relatively low value and are being made to a genuine merchant – the money transfer service Miss Q signed up to as part of the scam. So, overall, I'm not satisfied that the scam payments should have stood out or looked so unusual to Monzo that they should've prompted further checks before they were allowed to leave Miss Q's account.

To my mind, there wasn't anything about the payments that would've suggested to Monzo that anything untoward was possibly going on or that Miss Q was at risk of financial harm. All things considered, I don't think there were grounds for Monzo to be suspicious Miss Q may be a victim of fraud or at risk of financial harm to an extent whereby I would expect them to intervene and question Miss Q about the payments. And I think the fact that Monzo didn't flag the payments as suspicious was reasonable in the circumstances.

Overall, while I appreciate Miss Q has been the unfortunate victim of a cruel scam, I think Monzo's decision not to refund her in this instance was fair and reasonable in the circumstances. I say this because it followed Miss Q's instructions to make the payments and I haven't seen any reason why it shouldn't have done this.

### *Recovery*

I understand Miss Q has spoken to various parties who have told her Monzo should've reached out to the receiving bank to see if it could recover her funds once she reported being the victim of a scam. And that would be correct if Miss Q had made these payments directly to the scammers account. But that isn't what happened here. The payments Miss Q made were payments to a money transfer account in her own name and were almost immediately moved out to the scammers account. And so even if Monzo had reached out to the receiving account to attempt to recover the funds, the funds wouldn't have been available. They'd already been removed from Miss Q's account at R and sent on to the scammers.

### *Summary*

I realise Miss Q is significantly out of pocket as a result of the scam she fell victim to here. But I think this was ultimately caused by the scammers, and not Monzo. I can't reasonably ask Monzo to refund Miss Q in circumstances where I don't think it did anything wrong.

### *Trouble and upset caused*

I have listened to the numerous calls Miss Q had with Monzo after she reported falling victim to a scam. I've also read through the emails and the conversations that took place in Monzo's in-app chat service. Having done so, I think it's clear Miss Q was vulnerable,

suffering with her mental health and in severe financial hardship following the success of the scam. And was resulting in her being in near constant contact with Monzo in the weeks following.

During this period, Miss Q is sending numerous emails and questions to Monzo via its in-app chat and via email. And whilst I acknowledge that it would have been difficult for Monzo to have provided tailored responses to Miss Q each time it was contacted, at the same time, I'm not persuaded that Monzo was really engaging with what Miss Q was saying. Miss Q is speaking with lots of different people, receiving numerous templated responses and being told incorrect information. Her requests to speak with a manager over the telephone also weren't being actioned despite her being told they would be, and her correspondence shows she is becoming more and more distressed and frustrated.

Overall, I think there were a number of signs here that Monzo was dealing with a vulnerable customer, and I think more care was required. Instead Monzo's customer service fell below the standard I would expect, and I think the impact on Miss Q was significant. For this reason, I felt an appropriate compensatory award would be £300 and I'm pleased to say Monzo agreed. I know Miss Q doesn't think this enough. However, I have to bear in mind that the majority of the distress and anxiety was caused by the actions of the scammers and not Monzo. In terms of Monzo's customer service failings, I'm satisfied that the £300 already offered is reasonable.

### **My final decision**

As Monzo has already made an offer that I think is reasonable, I won't be asking it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 January 2025.

Emly Hanley Hayes  
**Ombudsman**