

The complaint

Mr K's complaint is about Monzo Bank Ltd's refusal to reimburse him money he says he lost due to a scam.

Mr K is represented by CEL Solicitors in this matter. However, I will try to refer to Mr K solely in this decision for ease of reading.

What happened

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview of events.

Mr K is a customer of Monzo. In short, Mr K has fallen victim to what appears to be a cryptocurrency related 'job scam'. That is, fraudsters deceived Mr K into making payments to receive income from completing various job tasks for a company called, GFK. Below are the card payments in question:

Payment Number	Statement Date	Beneficiary	Amount
1	25 August 2023	Simplex	£3,146.67
2	28 August 2023	Simplex	£3,028.72
3	31 August 2023	Onlychain Vilnius	£1,640.00

Mr K disputed the above with Monzo. When it refused to reimburse him, Mr K raised a complaint, which he also referred to our service.

One of our investigators considered the complaint and did not uphold it. In summary, the investigator thought that Payment 1 should have triggered an intervention from Monzo prompting it to intervene and provide Mr K with a tailored written warning. However, the investigator also thought that had Monzo intervened, it would not have made a difference in the circumstances. Mr K rejected the investigator's findings stating, in short, the investigator's view was hypothetical and subjective. He contends that Monzo should have included a payment option of "*paying to earn money online*"; and provided a tailored and effective warning.

As Mr K did not accept the investigator's findings, this matter has been passed to me to make a decision.

It should be noted that Mr K also made payments in relation to the scam from an account he holds with Revolut. Mr K has raised a complaint against Revolut, which is being dealt with separately.

What I have 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Should Monzo have recognised that Mr K was at risk of financial harm from fraud?

It is not in dispute that Mr K authorised the payments in this matter. Generally, consumers are liable for payments they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Monzo – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payments do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payments in this matter.

Payment 1

I am persuaded that Payment 1 (set out above) was unusual and out of character. I say this because of the value of Payment 1 and the fact that it was identifiably going to a cryptocurrency platform.

Given the above aggravating factors, I think there was an identifiable risk. Therefore, Payment 1 should have triggered Monzo's fraud detection systems; prompting it to intervene before releasing the transaction to try to protect Mr K from financial harm.

I am mindful of the fact that Payment 1 occurred post the Financial Conduct Authority's Consumer Duty. I have taken this together with the aggravating factors present.

In doing so, my view is that a proportionate intervention to the risk identified would have been a scam warning tailored to the likely cryptocurrency/job related scam Mr K was at risk from. For example, a warning asking a series of automated questions designed to narrow down the type of cryptocurrency/job related scam risk associated with the payment being made.

Monzo failed to do this.

If Monzo had intervened, would that have made a difference?

As I have taken the view that Payment 1 should have triggered an intervention by Monzo, I must now turn to causation. Put simply, I need to consider whether Monzo's failure to intervene caused Mr K's loss. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference. Having done so, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Mr K

would have frustrated Monzo's attempt to intervene; and Mr K would have alleviated any concerns Monzo had.

I have reached this view for the following reasons.

First, in Mr K's submissions via his representative, it is stated, amongst other things, " ... *his [Mr K's] mother has been successfully earning commission when she completed tasks so he believed that he could do the same.*" I have no doubt that this would have reassured Mr K that his payments were being made to a legitimate enterprise – particularly given the fact that someone close to him said they had been earning commission from it.

Secondly, Mr K says he had viewed GFK's website, terms and conditions and found them on Companies House; also, his mother had conducted her own research on GFK. Mr K says these points '*strengthened his belief* and '*instilled confidence*' that GFK was a legitimate company.

Thirdly, I have seen WhatsApp messages between Mr K and the fraudsters which took place on 15, 16 and 17 September 2023. Those messages show that Mr K still believed the fraudsters were genuine; and that he attempted to make further payments to them. This suggests Mr K was still very much under the fraudsters' spell even after he made his last payment on 31 August 2023.

In my judgment, the above are a combination of persuasive factors. When taken as a whole, they suggest that had Monzo intervened in Payment 1 (as described above): it is likely Mr K would have frustrated this; and would have alleviated any concerns Monzo had.

The investigator at first instance asked Mr K's representatives for some details – such as dates – about a chain of WhatsApp messages other than the those mentioned above. As this information was not provided, I have not considered these messages.

Recovery of funds

As Mr K's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. So, I am satisfied that it is unlikely Monzo could have done anything to recover Mr K's funds. Further, the service of exchanging Mr K's funds into cryptocurrency was provided by the exchanges. Therefore, I am satisfied that there was not any reasonable prospect of success had Monzo raised a chargeback – under the relevant scheme – on behalf of Mr K.

Vulnerabilities

Mr K says that he was vulnerable at the time of the scam due to the fact he had moved to Turkey for three months – seeking a change in career to save money by looking for remote jobs. Mr K says this was a "*new and uncertain*" time in his life as he "*looked to navigate a new chapter.*"

First, from what I have seen, I am not persuaded that Monzo knew or ought to have known about Mr K's personal issues at the time. Secondly, even if Monzo was aware, I am not persuaded that it should have dealt with Mr K's payments any differently. I say this given the nature of the personal issues Mr K says he was experiencing at the time.

Compensation for distress and/or inconvenience

For the sake of completeness, I have considered whether an award for distress and/or inconvenience is warranted in this matter. Having done so, I am not persuaded that it is.

Any distress and/or inconvenience Mr K has suffered is a result of the fraudsters' actions – not Monzo.

Conclusion

Taking all the above points together, I do not find that Monzo has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Monzo to do anything further.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 21 March 2025.

Tony Massiah
Ombudsman