

## **The complaint**

Ms M complains that Monzo bank Ltd won't refund the money she lost after falling victim to a scam.

Ms M is represented in this complaint by a solicitor. But for simplicity I will refer to Ms M throughout this decision, even when referencing what her representatives have said on her behalf.

## **What happened**

Ms M was looking for remote work. She says a friend told her about a job which they had made money on. Ms M was told the job involved her completing tasks on which she could earn commission, but to complete these tasks she needed to buy cryptocurrency and transfer it to a third party. Unfortunately, the job was not legitimate, Ms M was sending her money to a scammer.

When Ms M tried to withdraw the profits she believed she'd made, and was repeatedly asked to pay more fees to enable this, she realised she had been scammed.

Ms M contacted Monzo about the scam payments and it looked into what had happened. Monzo has said that the payments Ms M made to the scam were not unusual enough to have merited any intervention, and that even if it had intervened, it did not think it would have stopped Ms M from going ahead with the payments.

It says this was because Ms M had been provided with a detailed warning about job scams regarding a previous payment she had attempted from her Monzo account, but had gone on to still make payments to a very similar scam. It also noted that it had seen evidence that Ms M had been dishonest with another bank about some of the payments she was making to facilitate this scam.

One of our Investigators looked into this complaint, and they considered that the payments Ms M had made were not unusual enough to have merited intervention from Monzo, so they did not think that Monzo could have prevented these payments and therefore did not consider Monzo should be liable for Ms M's loss.

Ms M disagreed with the investigator's opinion, saying that the payments had been unusual and that Monzo should have intervened. So, as no agreement could be reached, this case has been passed to me for a 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.

Having done so, I've reached the same overall outcome as the investigator, I'll explain why.

It's not disputed that Ms M authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Ms M is responsible for them. That remains the case even though Ms M was the unfortunate victim of a scam.

Because of this, Ms M is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Monzo acted fairly and reasonably in its dealings with Ms M, or whether it should have done more than it did.

In this case, Ms M's Monzo account had been opened only a short time when this scam took place. And in the three months that it had been open there had been very limited payments from the account. So, there wasn't any significant account history or usage to compare the scam payments to. This means that the scam payments form part of the basis of what 'normal' account usage looked like for Ms M's account, and Monzo would be relying on generic indicators of risk when deciding if any particular payment merited further investigation.

And while Ms M did make six payments in two days, these were to three different payees, which were not obviously identifiable as being associated with cryptocurrency, and the amounts – while representing a significant amount to Ms M – were not so high as to be remarkable given the payments Monzo would see every day. So, I'm satisfied that it was not unreasonable for Monzo to allow these payments to be processed without any intervention.

I've also thought about whether Monzo did all it could to try to recover Ms M's funds when she told it of the scam, but given that the funds had been used to buy cryptocurrency, I can't see that there was anything Monzo could have done to recover that money.

I'm sorry to disappoint Ms M as I know that she has lost a significant amount of money. But, overall, I'm satisfied that Monzo did not miss an opportunity to prevent Ms M's loss here. It follows that I don't think Monzo is liable for her loss and won't be asking it to refund any of that loss to her.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 14 November 2024.

Sophie Mitchell  
**Ombudsman**