

The complaint

Mrs L is unhappy Monzo Bank Ltd won't refund payments she made as part of an investment scam.

What happened

Mrs L fell victim to an investment scam. Between March and May 2022, she made several payments to an account she held with a cryptocurrency platform, before the money was transferred to an investment scam that I'll refer to as H.

Professional representatives made a complaint to Monzo on her behalf, stating that she ought to be refunded under the Contingent Reimbursement Model. Monzo didn't refund them, so the matter was passed to our service to investigate.

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 outcome as our investigator for these reasons:

- In their complaint to Monzo, Mrs L's representatives argued she was entitled to a refund under the Contingent Reimbursement Model, a voluntary code that requires its signatories to refund victims of scams in some circumstances.
- But I'm satisfied the code doesn't apply in the circumstances of this case. That's because Mrs L transferred the money from her Monzo account to an account in her own name held with the cryptocurrency platform – before it was transferred to H. This type of 'me-to-me' transfer is a scenario that's excluded under the code.
- I've considered whether there's anything else that might mean Mrs L is fairly entitled to her money back.
- The starting position in law is that Monzo must make the payments she tells it to, and she's responsible for them.
- But, as supported by the terms of the account, that doesn't preclude Monzo from making fraud checks before making a payment. And, taking into account regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably have done this in some circumstances.
- Having considered the matter carefully, I'm not persuaded these payments appeared so unusual or suspicious that Monzo ought to have suspected she was falling victim to a scam. I've considered how:
 - No individual payment was particularly significant in value, with the highest being for £3,445.00.

- The payments were spread out over two months, and there wasn't more than one payment on a single day.
- It seems this was a new account – so Monzo didn't have a lot of activity to compare the payments to – in order to say they were particularly unusual.
- I recognise the payments went to a cryptocurrency exchange. But when they were made, I think it was fair for Monzo to consider a range of factors when deciding whether to carry out fraud checks. And here, I don't find that the pattern of payments nor values were consistent with fraud or indicated a heightened risk of financial harm.
- Taking this all into account, I think Monzo was right not to view the payments with suspicion, and I don't consider it remiss that it processed the payments in line with her instructions without completing further checks.
- I do appreciate how disappointing this will be for Mrs L, who has clearly fallen victim to a horrible scam. But for the reasons I've explained, I don't think her losses can be attributed to something Monzo did wrong. So I don't uphold her complaint.

My final decision

For the reasons I've explained, I don't uphold Mrs L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 21 November 2024.

Emma Szkolar
Ombudsman