

The complaint

Miss R complains that Monzo Bank Ltd won't refund her the money she lost after she fell victim to an Authorised Push Payment ("APP") scam.

In bringing her complaint to this service Miss R is represented, but for ease of reading I will refer to Miss R throughout this decision.

What happened

The background to this complaint is well known to both parties so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around October 2023, Miss R was contacted about a job opportunity. She was told the job involved completing online tasks to 'boost' product ratings for a well-known supermarket chain. Believing everything to be genuine Miss R proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Miss A to pay her own money in order to proceed with the work.

Miss R was instructed to open an account with a cryptocurrency platform. She sent money directly to this cryptocurrency account and also by way of transferring money from her Monzo account, to an account she holds with another banking provider, and then onto her cryptocurrency wallet from there. Once her money had been converted into cryptocurrency, she was then instructed to send it to accounts controlled by the fraudsters.

The key transactions that took place on Miss R's Monzo account as part of this scam are detailed below;

Payment	Date	To	Amount
1	26/10/2023	Cryptocurrency Wallet	-£75.00
2	26/10/2023	Credit Received	+£141.57
3	27/10/2023	Cryptocurrency Wallet	-£400.00
4	27/10/2023	Cryptocurrency Wallet	-£1,000
5	27/10/2023	Return of previous payment	+£1,000
6	27/10/2023	Other payment provider	-£20.08
7	27/10/2023	Other payment provider	-£1,004.20
8	28/10/2023	Other payment provider	-£3,464.49
9	28/10/2023	Other payment provider	-£3,022.64
		Total Loss	£7,844.84

Miss R realised she'd been scammed when the fraudsters continued to ask her for money and she was unable to withdraw any of her funds.

Unhappy with Monzo's response, Miss R brought her complaint to this service. One of our Investigator's looked into things and thought the complaint should be upheld in part. In summary, our Investigator thought Monzo ought to have recognised that Miss R could be at

a heightened risk of financial harm at the point she was making the final payment (payment 9 in the table above).

But our Investigator also thought Miss R should bear some responsibility for her loss. In summary, this was because he thought there was enough going on that ought to have led her to have some concerns about the legitimacy of the job. Overall, our Investigator thought Monzo should refund Miss R 50% of her loss for this final payment.

Miss R accepted our Investigators view. Monzo disagreed, in summary it didn't think it should be held liable for the loss, as the loss wasn't directly from Monzo. It added that Miss R's complaint should be escalated through the financial service provider from where the money was lost.

As agreement couldn't be reached, the complaint was passed to me for a final decision. Before issuing this final decision I provided Monzo with my initial thoughts, in that I was minded to agree with our Investigator and ask Monzo to refund Miss R 50% of the final payment, along with interest. I asked Monzo to confirm its position, but it didn't respond – so it is now appropriate for me to formalise things with 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.

As I've mentioned above – I told Monzo that it was my intention to uphold the complaint, in line with our Investigator's position (which was accepted by Miss R). As I've received no further information or evidence from Monzo that would lead me to alter that position, my final decision is on the same grounds.

It isn't in dispute that Miss R authorised the payments she made to the scammers. And the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made. There are though some circumstances in which a bank may still be reasonably expected to reimburse a customer for payments made to a scam.

While I don't think the first eight payments would have appeared as so unusual or suspicious to Monzo, when compared to Miss R's typical account activity, I'm persuaded that by the point Miss R was making the final payment, for £3,022.64, there was enough going on that ought to have caused Monzo concern that Miss R may have been at risk of financial harm. This was the fourth payment to a new payee within the space of a couple of days and followed quickly, just 75 minutes later, a payment where the value being sent had started to escalate. It meant that over £6,000 was being sent in just over an hour. Alongside this, the previous two days there was activity on the account which was identifiably related to cryptocurrency, something that isn't evident on Miss R's account previously.

The frequency and the value of the payments being made, represented a significant change from how Miss R typically uses her account. I'm persuaded that by this point the activity on the account had become erratic and carried many of the hallmarks that are often present with scam payments (such as unusual spending patterns and increasing frequency/value of payments to new payees and, alongside this, payments that were identifiably for the purpose of purchasing cryptocurrency). Overall, I'm persuaded the activity on the account by this point ought reasonably to have appeared suspicious to Monzo and it ought to have intervened here, before allowing any further payments to be made.

Based on the evidence available to me, I see no reason why Miss R wouldn't have been positively influenced by such an intervention. It doesn't appear that she was being 'coached' by the fraudsters when she was making the payments from Monzo, so I'm satisfied it's more likely than not she would have spoken freely to Monzo and explained she was moving the money in order to facilitate payments for the purchase of cryptocurrency, for the purpose of funding an employer for a job she had recently been offered. With this, I think it would have been apparent to Monzo, as the professional in these matters, that Miss R was the victim of a scam and it could have advised Miss R accordingly. I don't think Miss R would have then gone on to make this payment. I say that especially as from looking at the chat messages between Miss R and the scammer, it seems at this point Miss R had her own doubts – so I don't think it would have taken much from Monzo to have made Miss R realise she was falling victim to a scam.

I'm mindful Monzo has said that the loss wasn't from Miss R's Monzo account, rather it was lost from the cryptocurrency wallet that she'd set up for the purpose of the scam and from an account that she held with another payment service provider. But as Monzo will be aware, and as has been set out in previous decisions from this service to Monzo, the potential for multi-stage scams ought to have been well known to it at the time. And as a matter of good practice Monzo should fairly and reasonably have been on the look-out for payments presenting an additional scam risk including those involving multi-stage scams.

I'm also not persuaded it would be fair to reduce Miss R's compensation in circumstances where it is appropriate to hold a business such as Monzo responsible (that could have prevented the loss and is responsible for failing to do so). That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position.

For reasons I've explained above, I'm persuaded Monzo could have prevented the loss from the final payment – so I'm satisfied it is at least in part, responsible for Miss R's loss from this point. I'm not persuaded it would be fair to reduce Miss R's compensation in circumstances where I don't think Miss R is entitled to a refund from a different payment provider and where it is appropriate to hold Monzo responsible.

Should Miss R bear any responsibility for her losses?

I have however, also thought about whether Miss R did enough to protect herself from the scam and whether she should carry some responsibility for her loss. While I accept Miss R believed that these payments were being made in connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one. There was no formalisation of the arrangement between her and the employer – for example, there was no written contract and indeed no clear setting out of the terms of her employment.

In addition to that, the arrangement was an inversion of the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around. As far as I can see, there wasn't really any attempt to explain this uncommon arrangement. I also think the level of salary and commission being offered seemed inflated, considering the nature of the work that was being carried out.

So overall, I think Miss R is also responsible for some of her loss by way of contributory negligence. As such, I think it's fair and reasonable for Monzo to make a 50% deduction from the redress payable to Miss R.

Recovering Miss R's money from the recipient accounts

I've thought about whether Monzo did what could be expected of it to recover any of the funds Miss R lost, when it was made aware of the scam. Given the funds were exchanged into cryptocurrency and then moved onto accounts controlled by the fraudsters, any attempted recovery would have had little prospect of success. So, I don't think Monzo has missed an opportunity to recover the money Miss R sadly lost.

Putting things right

For the reasons given above, I uphold this complaint in part and direct Monzo Bank Ltd to:

- Refund Miss R £1,511.32 (being 50% of the loss of the final payment)
- Pay 8% interest on this amount, from the date of payment until the date of settlement.

My final decision

My final decision is that I uphold this complaint in part and direct Monzo Bank Ltd to pay the redress outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 15 August 2025.

Stephen Wise
Ombudsman