DRN-5040974

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 and has been laid out in detail by our Investigator in their view, so I won't repeat everything again here. But in summary, I understand it to be as follows.

In or around September 2023, Miss R was contacted about a job opportunity. She was told the job involved completing online tasks to improve product sales and visibility. 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 R to pay her own money in order to proceed with the work.

Miss R was instructed by the fraudsters to open accounts with cryptocurrency platforms. She sent money directly to these cryptocurrency accounts and also by way of transferring money to individuals who were selling cryptocurrency through 'peer-to-peer' exchange platforms. The cryptocurrency was subsequently moved on to accounts that the fraudsters controlled.

As part of the scam, Miss R used her Monzo account to make the following payments directly to her own cryptocurrency wallet, or for peer-to-peer cryptocurrency purchases.

Payment	Date	Action	Amount
1	18/09/23	Payment to cryptocurrency wallet	- £2,450.00
2	08/12/23	Faster Payment to Payee 1	- £3,270.00
3	09/12/23	Faster Payment to Payee 2	- £4,550.00
4	11/12/23	Faster Payment to Payee 3	- £4,750.00
5	16/12/23	Faster Payment to Payee 4	- £6,550.00
6	19/12/23	Faster Payment to Payee 5	- £5,000.00
7	21/12/23	Faster Payment to Payee 6	- £3,191.77
8	21/12/23	Faster Payment to Payee 7	- £2,126.23
9	28/12/23	Faster Payment to Payee 8	- £6,000.00
10	28/12/23	Faster Payment to Payee 8	- £3,000.00
11	03/01/24	Faster Payment to Payee 9	- £4,260.00
12	14/01/24	Faster Payment to Payee 10	- £5,000.00
13	14/01/24	Faster Payment to Payee 11	- £2,149.00
14	14/01/24	Faster Payment to Payee 12	- £351.00
15	15/01/24	Faster Payment to Payee 13	- £4,190.00
16	17/01/24	Faster Payment to Payee 14	- £3,500.00
17	22/01/24	Faster Payment to Payee 15	- £4,500.00
18	23/01/24	Payment to cryptocurrency wallet	- £3,000.00

19	23/01/24	Payment to cryptocurrency wallet	- £2,500.00
20	23/01/24	Payment to cryptocurrency wallet	- £150.00
21	23/01/24	Payment to cryptocurrency wallet	- £50.00
22	24/01/24	Payment to cryptocurrency wallet	- £2,800.00
23	24/01/24	Payment to cryptocurrency wallet	- £3,000.00
24	24/01/24	Payment to cryptocurrency wallet	- £2,600.00
25	25/01/24	Payment to cryptocurrency wallet	- £3,000.00
26	25/01/24	Payment to cryptocurrency wallet	- £3,000.00
27	11/03/24	Payment to cryptocurrency wallet	- £2,000.00

As well as this, Miss R also sent money to the fraudsters via accounts she held with other banking providers, with Miss R moving funds to and from her Monzo account between those other accounts, to facilitate some of the payments.

Miss R has said that soon after the scam started, in September 2023, she was able to withdraw an amount of around £160 (to an account she held elsewhere). She's said this gave her confidence that this was a genuine opportunity. But she realised she'd been scammed when she was asked to pay increasing amounts for fees and taxes and was unable to recover any more of the money she'd sent.

Miss R raised the matter with Monzo, but it didn't uphold her complaint. In summary, Monzo said it couldn't refund the money lost because the payments weren't lost from Miss R's Monzo account. Rather they went to another account(s), before then being sent on to the fraudster. So, the loss wasn't from Miss R's Monzo account. As well as this, Monzo said it had provided Miss R with warnings, when she made the payments.

Unhappy with Monzo's response, Miss R brought her complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld. In summary, this was because he thought Miss R would have wanted to go ahead with the payments, despite warnings or questioning from Monzo.

Miss R didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint 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.

I'm very aware that I've summarised this complaint 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. 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 a free alternative to the courts.

Having thought about everything carefully, I've reached the same conclusion as our Investigator, and for largely the same reasons. I'm sorry to hear that Miss R has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Miss R 'authorised' the payments for the purposes of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Miss R is presumed liable for the loss in the first instance.

Monzo has agreed to follow the terms of the Lending Standards Board's Contingent Reimbursement Model (CRM Code). Under certain circumstances, this Code can require that firms reimburse customers who have fallen victim to scams. Unfortunately, the Code doesn't apply to these payments. However, good industry practice still required that Monzo be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. I consider Monzo should fairly and reasonably:

- Have been monitoring accounts—and any payments made or received—to counter various risks, including anti-money-laundering, countering the financing of terrorism, and preventing fraud and scams;

- Have had systems in place to look out for unusual transactions or other signs that might indicate its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer; and

- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I've firstly considered whether I think there were any grounds for Monzo to have intervened in Miss R's payments. From looking at Miss R's account statements for the months leading up to the scam, I think from the point Miss R is making payment 4 in the table above (the payment for £4,750 on 11 December 2023), there is enough going on that Monzo ought to have had concerns that Miss R may have been at risk of financial harm. I say that as this was the third payment, to a third new payee, for escalating values, in the space of just three days. I'm persuaded this marked a significant departure from how Miss R typically ran her account, so much so that Monzo ought to have intervened and questioned Miss R about the payment before allowing it to progress.

Albeit later than I think it ought to have, it's clear Monzo did have concerns with the payments Miss R was making. It stopped a payment on 17 January 2024 and blocked Miss R's account, following which it spoke to Miss R each day over a period of four days (17 – 20 January 2024) to discuss the payment and why she was attempting to make it.

I've listened to these calls and throughout them Miss R maintains that she knew what she was doing and that this was not a scam, insisting that Monzo should reinstate her account. During a call, on 19 January 2024, I'm satisfied the Monzo agent makes it clear to Miss R that she is falling victim to a job-related scam and that the people she was dealing with were stealing her money.

The following day, on 20 January 2024, Monzo contacted Miss R again to ask for her thoughts, following the call she'd had with it the previous day. It seemed during this call, on 20 January 2024, that Monzo had been able to get through to her and she appeared to agree that she was falling victim to a scam. She agreed that she was no longer doing the 'job', and she thanked Monzo for reminding her about frauds. Following the call, Monzo also sent Miss R extracts of reviews it had found, which strongly indicated the company Miss R thought she was working for, were operating a fraud. But within a very short space of time after her interactions with Monzo' staff, she proceeded to send further payments to the fraudsters.

I'm mindful that Miss R has argued that if the intervention had been sooner, it would have made a difference. As mentioned above, I do agree that Monzo's intervention should have come sooner than it did. However, I don't think the evidence supports that it's more likely than not this would have made a difference. I say that as there was an earlier interaction between Miss R and Monzo when the first transaction was made in September 2023. The payment was initially attempted for £2,500, but was declined. Monzo reached out to Miss R and spoke to her about the payment, during the call Miss R appeared unhappy that her payment hadn't gone through and protested that the delay was costing her money. Ultimately, the payment went through when Miss R attempted it for a smaller amount, but I'm persuaded that Miss R seemed intent on making the payments even at this early stage of the scam.

Overall, with all of this in mind and also considering that Miss R has said that the fraudsters were telling her what to say to the banks, I'm not persuaded that any earlier warning or intervention from Monzo, would've had a material impact in preventing Miss R from proceeding with the payments. I think it's more likely than not Miss R would have gone ahead with the payments no matter what. From everything I've seen I think Miss R was determined to move past any warnings she was given, which I think is supported by her being undeterred and proceeding with the payments even though her bank had given the clearest of indications that she was falling victim to a scam.

It appears to me that Miss R was sadly under the spell of the scammer, from very soon after it began. Monzo were as clear as possible that Miss R had fallen victim to a scam and I don't think it could have done anymore to make this apparent to her. Sadly, it seems to me that she was so determined to make the payments that, even if Monzo had prevented her from doing so, she'd have simply sent the funds from another of her accounts. I'm not persuaded that further questioning by Monzo at the time it intervened, before or subsequently would have made any difference to Miss R's decision-making.

I'm mindful that Miss R has said she was vulnerable at the time she made these payments. But the evidence I've seen doesn't suggest that Monzo had been notified of any vulnerabilities or needs, such that it should have known to take additional steps to protect Miss R.

Thinking next about the recovery of payments, given Miss R legitimately bought cryptocurrency from individual sellers (who were unlikely to have been involved in the scam) before ultimately sending it on to accounts the fraudsters controlled from her cryptocurrency account, it's unlikely recovery would have been successful. This is because services were rendered by the recipients of Miss R's payments. I don't think Monzo could or should have taken further steps to recover funds from cryptocurrency sellers.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Miss R. I have a great deal of sympathy for Miss R being the victim of what was clearly a cruel scam that has had a significant impact on her. But I can only compel Monzo to refund Miss R if it is responsible for the loss incurred. For the reasons explained, having carefully considered the circumstances of this complaint, I can see no basis on which I can fairly say that Monzo should be held liable for the loss Miss R has sadly suffered.

My final decision

My final decision is that I don't uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss R to accept or reject my decision before 19 August 2025.

Stephen Wise
Ombudsman