

## **The complaint**

Mr O complains about the actions of Monzo Bank Ltd when he lost money to a scam.

Mr O is being represented by a claims management company but for ease of reading I'll only refer to Mr O.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In early 2022 Mr O said that he received a letter in the post from a merchant regarding a potential investment opportunity. He watched a video which provided details on the merchant and how the investment would work. Mr O was impressed with the professional looking website, so he decided to proceed with the investment.

Mr O was instructed to make four payments to the merchant via a third party account he held in his name with another merchant. In total he sent £50,000 between 28 June 2022 to 03 October 2022. After he lost contact with both merchants Mr O realised he had been scammed. So, he contacted Monzo to see if he could make a claim for his money to be returned to him. Monzo considered the claim but said it wasn't going to make a refund as it hadn't done anything wrong here. Unhappy with that response, Mr O brought his complaint to this service.

Our investigator didn't think the complaint should be upheld. She didn't think the payments here would've seemed particularly unusual to Monzo at the time they were made because of the significant and sometimes larger genuine payments (up to and including a single £100,000 payment) Mr O made on his account. She added that Monzo also provided a warning at the time the new beneficiary was set up on the account by Mr O. The investigator said that even if Monzo did question Mr O further, the evidence presented to this service persuaded her that Mr O had complete trust in the investment, so she didn't think Mr O would've likely listened to any further warnings.

Mr O disagreed and has asked for an Ombudsman's review. He said the first payment here was unusual activity as it was to a new payee for £25,000 and that if a conversation had taken place he would've listened to a warning and the scam would've been uncovered.

## **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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr O has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mr O authorised the scam payments of around £50,000. I accept that these were authorised payments even though Mr O was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Mr O is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr O to Monzo (either individually or collectively) were unusual in relation to his typical account activity. So, I've reviewed the account statements around the time Mr O made the payments in question here. The account was typically well maintained with the balance ranging from around a few hundred pounds up to over hundreds of thousands of pounds at one point in late June 2022. And there were genuine transactions on this account ranging from two £10,000 payments in April 2022, a £10,000 payment on 24 June 2022, a £100,000 payment on 27 June 2022, followed by various £10,000 and £9,000 payments totalling over £78,000 in July 2022.

Here Mr O sent £25,000 to the scammer on 28 June 2022. At that time Monzo provided an in-app warning telling him to take some advice if he didn't personally know the recipient before being told that someone could be trying to scam him and that if the offer sounded too good to be true then he should double check who he is paying.

On 28 June 2022 Mr O sent the first payment towards this scam. But this was only one day after he had sent a genuine payment for £100,000. So, I've considered the fact he had made larger genuine payments before this scam and the fact that Monzo did provide a warning when the new payee was set up. As a result, I'm not satisfied that Monzo would've been sufficiently suspicious of the first payment towards this scam so that they should've stopped it and asked further questions to Mr O.

I'm in agreement with the investigator that Mr O also made investments before and was familiar with profits and losses. So, even if Monzo had questioned one of the payments I don't think this would've likely made a difference here. The evidence provided to this service by Mr O persuades me that he trusted this investment opportunity after seeing a video that detailed what was on offer as well as documentation that said it wasn't regulated. Mr O was also in receipt of regular updates on the investment that further solidified his faith that it was genuine. And I don't think any of the later payments were so unusual or out of character that it's reasonable to have expected Monzo to have intervened.

As a result, I don't think any further intervention from Monzo would've made a difference here.

I can see that Monzo attempted to recover Mr O's money from the beneficiary bank. But it never received a response to its requests for a reimbursement – which isn't uncommon in these circumstances. As a result, I'm satisfied Monzo reasonably attempted to recover Mr O's funds here. And I've seen that the investigator didn't make any award to Mr O on the trouble and upset he says Monzo caused after reporting this scam. But to be clear I agree with the investigator's reasoning here. And I won't be making any further award to Mr O.

In these circumstances I can't conclude the outstanding loss is the fault of Monzo. To be clear, I'm not blaming Mr O for the loss – it's ultimately the scammer who is to blame. But for the reasons I've explained above, I don't think he's been treated unfairly by Monzo.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 4 March 2025.

Mark Dobson  
**Ombudsman**