

## The complaint

Mr N complains that Monzo Bank Ltd won't reimburse him after he fell victim to a job scam.

Mr N is professionally represented in bringing his complaint to our service. However, for ease of reading I'll refer to all submissions as being made by Mr N directly.

## What happened

On 1 October 2024, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

*Mr N has explained that he received contact from who he believed was a recruitment company (but was in fact a fraudster) via an instant messaging app, offering remote working. Mr N was referred to a second individual who would be providing his training. Mr N was told he would need to work remotely for 30 minutes a day, completing a series of 40 'tasks', whereby he would be providing application (app) reviews in order to increase the apps' popularity. Unfortunately, unbeknownst to Mr N at the time, both individuals he was speaking to were in fact fraudsters.*

*Mr N was told that he would earn £634 for every five days that he completed his tasks, plus commission. Mr N was initially walked through the work process on a 'training platform'. Mr N was shown that sometimes 'combined' tasks would appear as part of the task review process, where the product price would be greater than the account balance. Mr N was shown that when this happened, the account needed to be 'topped up' with cryptocurrency, but that higher commission would be earned on these tasks and any money paid in returned, once the 40 tasks were completed. Once Mr N had completed his training, he was walked through opening his own cryptocurrency platform for his earnings and deposits.*

*However, as Mr N completed his tasks, he encountered a number of 'combined tasks' requiring him to top his account up by increasingly high amounts. Then, when he completed his tasks, rather than being allowed to withdraw, his account was 'upgraded' requiring further tasks to be completed. At this point, Mr N realised he'd fallen victim to a scam. Overall, Mr N made the following payments towards the scam:*

<b>Date</b>	<b>Payment value</b>	<b>Payment type</b>	<b>Additional comments</b>
18/10/2023	£35	Transfer to cryptocurrency wallet	
20/10/2023	£40	Transfer to cryptocurrency	

		wallet	
22/10/2023	£450	Transfer to cryptocurrency wallet	
22/10/2023	£1,200	Transfer to cryptocurrency wallet	
23/10/2023	£2,300	Transfer to cryptocurrency wallet	
23/10/2023	+£2,300	Above payment returned	Previous payment transfer returned
23/10/2023	£20.08	Card payment to e-money account	
23/10/2023	£2,280	Transfer to e-money account via open banking	Payment declined
23/10/2023	£2,280	Transfer to e-money account	

Mr N contacted Monzo to raise a claim and Monzo looked into the scam payments made. However it didn't decide it was liable to reimburse Mr N. Monzo said that the payments made from Mr N's Monzo account weren't the point of loss, as payments went to wallets in his name before being transferred on to the fraudster.

Mr N remained unhappy and referred his complaint to our service. An investigator considered the complaint but didn't uphold it. He didn't think the payments were so unusual that Monzo ought to have intervened, prior to processing the payments. However, the payments the investigator identified as part of the scam differ to the above table, which forms the basis of me issuing a provisional decision first, to set out these discrepancies.

Mr N disagreed with the investigator's view. He thought the escalation of payment values to cryptocurrency ought to have triggered a deeper review by the bank. As Mr N disagreed, the complaint has been referred to me for a final decision.

### **What I've provisionally 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.

There's no dispute that Mr N authorised these transactions and that means that under the Payment Services Regulations 2017 and the terms of his account he is presumed liable for the loss in the first instance. The Contingent Reimbursement Model (CRM) Code does provide further protection for some payment transfers that were made as the result of a fraudster. However, the CRM Code does not include card payments, or payment transfers to

*a customer's own account - as these were – and therefore I cannot apply the CRM Code to Mr N's complaint.*

*However, taking into account longstanding regulatory expectations and requirements and what I consider to have been good industry practice at the time, Monzo ought fairly and reasonably to have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.*

*In addition, since 31 July 2023 when the Financial Conduct Authority's Consumer Duty came into force, there are additional obligations on firms to avoid foreseeable harm to customers. As a result, where it would be considered appropriate based on the risk level, we'd expect warnings provided by firms to be more 'dynamic', and cover the type of job scam Mr N fell victim to, considering its growing prevalence.*

*I've thought about whether Monzo acted reasonably by not intervening, either by providing dynamic warnings or by further human interaction, prior to processing these payments. I think that when Mr N made payments on 23 October 2023, there were some indicators on Mr N's account of payments being a higher fraud risk, based on new payments to cryptocurrency and these increasing in value within a relatively short space of time. While I don't think that human intervention would've been a proportionate intervention, I do think Monzo ought to have provided Mr N with a dynamic warning as referenced above, to try to better understand the payments Mr N was making.*

*However, in the particular circumstances of this complaint, I don't think the evidence suggests that this type of warning would've made a difference. I say this because I've reviewed the conversation Mr N was having with the fraudster around the time of these payments on this date. When attempting to transfer funds to his cryptocurrency wallet, it appears Mr N was asked to verify his identity, and it was due to the time this was taking that the fraudster told Mr N to open another account with an e-money provider. The fraudster states 'This will avoid bank control and prevent your bank from being restricted.' When then attempting to make the final transfer to his e-money account, and believing his card to be blocked, the fraudster also told Mr N 'Because you use your bank card directly to deposit the bank knows that you are buying cryptocurrency. Due to the strict control of encrypted currency by the British government, banks will even remind you to be careful of the words of being cheated. Remember what I told you to do correctly, don't say any sensitive words about investments, cryptocurrencies, application funds to the bank, these will lead to endless harassment of the bank, you just need to tell the bank that you need to transfer money to your friends. All you need to do is call your bank to ask for the lifting of your restriction.' Mr N replied 'Am on it'.*

*While it doesn't appear any intervention took place after this, based on the above interactions I think it's more likely than not that had Mr N been provided with a dynamic online warning, he would've followed the fraudster's guidance, having not asked any questions relating to what the fraudster had told him to do. Additionally, the reason Mr N was using a new e-money account was to bypass the waiting period his cryptocurrency provider had placed on his account while it reviewed identification. I think this also demonstrates that Mr N's priority was getting the payments through as quickly as possible and would therefore follow guidance that may avoid further account blocks.*

*Therefore, to conclude, while I think Monzo ought to have done more when Mr N made these payments, I don't think proportionate intervention would've made a difference here, as I don't think Mr N would've been open about the reason for payments. I therefore don't think any warnings Monzo would have provided (likely a 'family and friends' based warning)*

*would've highlighted the key hallmarks of the job scam he fell victim to and therefore his decision to make the payment would've remained unchanged.*

*I've then gone onto consider whether Monzo did enough to recover Mr N's money, once it was made aware of the scam. Unfortunately, there's little Monzo could have done from a recovery perspective. Mr N made all but one of his payments to a wallet/account held in his own name. Therefore any recovery attempts from Monzo would be against these accounts held in his name. Additionally, I don't think there are any reasonable prospects of Monzo recovering funds sent by card to the e-money firm. I say this because, similarly, these funds were exchanged for cryptocurrency – therefore it provided the service expected of it and no chargeback options would therefore apply.*

*Overall, while I'm very sorry to disappoint Mr N, and while I don't dispute he's fallen victim to a cruel scam here, I don't think Monzo is responsible for not preventing his losses and it therefore follows that I don't think Monzo is liable to reimburse him.*

### ***My provisional decision***

*My provisional decision is that I don't uphold Mr N's complaint against Monzo Bank Ltd.*

Mr N disagreed with my provisional decision. To summarise, he said that it is entirely speculative to say where an intervention did not take place, that it would not have made a difference, whereas a missed bank intervention is clear evidence that they did not make a difference. He said he finds it difficult to understand why speculation is the overriding factor in my decision to not uphold, rather than Monzo not being held accountable for a missed intervention, whereby the bank wins, even though it did not meet its obligations.

Monzo did not respond to my provisional 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 appreciate Mr N's strength of feeling in this case, and I'd like to assure him I've considered all the additional points he has made. However, having done so, while I'm sorry to disappoint Mr N, my opinion remains the same and I am not upholding his complaint. I've provided my reasons below, covering Mr N's additional points.

While I understand why Mr N would feel that, given I've found a failing in Monzo's actions, this would lead me to find in his favour, our service's approach is that we not only consider a business' actions and whether it has done anything wrong, but also what it should have done – and the impact this has had on its customer. Therefore it isn't sufficient for me to simply find that Monzo ought to have done more – I need to also consider whether Mr N would be in a different situation, had mistakes not been made.

Of course there will always be some element of speculation here, as I'm considering events that unfortunately never took place. But I need to base this speculation on all the available evidence, including how Mr N communicated with the fraudster, how under the 'spell' of the scam he was and how much trust he was showing in the fraudster.

Unfortunately, for the reasons I've explained in my provisional decision, I think the available evidence indicates that had Monzo intervened as I would've expected, it's more likely than not that Mr N would've followed the instructions of the fraudster, as he had tended to do during other periods of the scam - and therefore not provided the genuine payment purpose

here. Therefore I think it's unlikely any warning Monzo provided would have impacted his decision to proceed with the scam.

Overall, while I understand Mr N's disappointment in this outcome, I remain of the opinion that Monzo isn't responsible for his losses and it therefore follows that I don't require Monzo to reimburse him.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 13 November 2024.

Kirsty Upton  
**Ombudsman**