

## The complaint

Mr B says Monzo Bank Ltd ('Monzo') didn't do enough to help when he fell victim to an impersonation / safe account scam. He says Monzo should reimburse the money he lost.

In bringing his complaint, Mr B has used the services of a professional representative. For ease of reading within this decision, I will refer solely to Mr B throughout.

## What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

In summary, Mr B fell victim to an impersonation / safe account scam. Mr B was contacted by whom he believed was his banking provider whom I'll call 'S'. Mr B was led to believe his account with S was at risk, that his phone had a virus and that other accounts were at risk also. Mr B transferred funds from his account at S to his account at Monzo.

Mr B then provided his Monzo card details to the scammer which resulted in Mr B subsequently authorising a card payment for £5,000, under the belief that he was moving his money to keep it safe.

Mr B was then asked to move further funds from another account and was told to lie to the bank if questioned. Realising things weren't as they seemed, Mr B became suspicious, ended the call and then reported the matter to Monzo and S.

Ultimately, Monzo didn't consider there had been an error on its side and so didn't consider it was liable for the losses Mr B incurred. Unhappy with Monzo's response, Mr B brought his complaint to our service.

Our Investigator reviewed the matter and didn't recommend the complaint be upheld. They were satisfied Mr B had authorised the payment and they didn't think Monzo ought to have done more to identify the payment as potentially fraudulent in the circumstances. They didn't consider Monzo ought to have had a cause for concern that Mr B was potentially at risk of financial harm, or that he was falling victim to a scam to an extent that it ought to have intervened and questioned him further about the card payment.

With regards to the recovery of any funds, they considered there wasn't anything further that Monzo could do. They considered a 'chargeback' against the merchant, wouldn't have any prospect of success as the merchant had likely carried out the services required of it.

Mr B disagreed with the Investigator's opinion and thought more should have been done by Monzo to prevent his loss.

As Mr B disagreed with the Investigator's opinion, and as the matter hasn't been resolved, it's been passed to me to decide.

## **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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm aware that I've summarised this complaint and the responses 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 – which is to determine whether Monzo should have done more to prevent, or recover, Mr B's loss. 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 an alternative to the courts.

Having thought very carefully about Monzo's actions, I'm not upholding Mr B's complaint. I do appreciate how disappointing this will be for him. Mr B was the victim of a cruel scam. But in weighing everything up, I don't think I can fairly say Monzo should reimburse him. I'll explain why.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

It is agreed by all parties that Mr B made the card payment. So, it is the case that Mr B authorised the payment that is in dispute. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr B is responsible for it. And that remains the case even though Mr B was the unfortunate victim of a scam.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Monzo) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

### *What does this mean for Mr B?*

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr B when he made the payment, or whether it should have done more than it did.

I've thought about this carefully. Having done so, I can't fairly say the payment Mr B made would (or should) have alerted Monzo that Mr B was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payment. So, I don't consider Monzo are liable for the losses Mr B incurred. I'll explain why.

I have to be mindful that banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

Here, I don't consider there is anything unusual or remarkable about the payment that ought to have alerted Monzo to the possibility Mr B was being scammed or was at risk of financial harm. I accept that a £5,000 card payment is a considerable amount. And it wasn't typical for Mr B to make card payments from the account for that amount. But I don't think that automatically means Monzo ought to have been on notice that Mr B was at potential risk of financial harm. I say this because I am mindful that it isn't uncommon for consumers to use card payments as a method of payment when making larger purchases to merchants for goods or services. And this is due to the protections that are associated with card payments through 'Chargeback' schemes or 'Section 75 claims' under the Consumer Credit Act. I think it is fair and reasonable for a bank to take into account a number of factors in deciding whether to make additional checks or further enquires with its customer about a particular payment.

Here, Mr B had authorised the payment in question via 3DS, so Monzo were satisfied that it was its customer who was making the payment. And it appeared to Monzo at the time, that it was a payment to a genuine merchant. It wasn't, for example, going to a cryptocurrency exchange provider which can pose more of a financial risk to consumers – given the prevalence of scams involving cryptocurrency. So, I don't find that the card payment ought to have appeared as concerning to Monzo – and not to an extent whereby I would expect it to carry out additional checks on the payment.

There weren't multiple outbound payments made in quick succession, which can also indicate a consumer might be at risk of financial harm from fraud. And I am also mindful the amount didn't clear or reduce Mr B's account balance – which can also be a sign that someone is at risk of financial harm. Mr B had approximately £6,000 in the account prior to the scam and then topped up his account by £17,000 just prior to making the card payment. In some circumstances this may be out of character or unusual for a particular consumer – but this wasn't uncommon for Mr B to do. Mr B regularly moved funds of similar amounts in and out of his account and into different 'pots' he held with Monzo.

Mr B had also made large payments in and out of the account. While I appreciate those payments were to family and friends, who were established payees, so the risk posed by those payments was far less, the account activity was such that larger payments in and out were normal activity for the account. So, I don't think the card payment would have stood out to an extent that Monzo ought to have been concerned.

In this case, I'm not persuaded Monzo ought to have fairly been on notice or concerned Mr B was at potential risk of financial harm from fraud. As mentioned, consumers can make one off payments or larger payments by card. And here Monzo was satisfied Mr B had authorised the card payment himself. I'm mindful there were no other concerning factors that might have indicated to Monzo that Mr B was at risk of potential financial harm from fraud.

So, all things considered; I don't think it was unreasonable that the payment didn't flag as suspicious – and I can't say Monzo acted unfairly here.

### Recovery of the funds

I have also considered whether Monzo did all it could to try and recover the money Mr B lost.

Mr B contacted Monzo as quickly as he could, but due to the nature of this type of scam, with Mr B making a card payment to a merchant, Monzo considered there wasn't anything it could do to help Mr B recover his funds, such as through a chargeback, as there was no real prospect of success.

I don't think this is an unreasonable position to take. It is a bank's voluntary decision as to whether it raises and pursues a chargeback under the applicable scheme. And where a bank considers a chargeback has no prospect of success it won't raise one. In this case, as Monzo has pointed out, the chargeback would be against the merchant – and here the merchant would argue it had carried out its service. So, I agree that there wasn't a reasonable prospect of a chargeback being successful and I can't say Monzo acted unfairly here.

### Summary

While I appreciate Mr B has been the unfortunate victim of a cruel scam, I think Monzo's decision not to refund him in this instance was fair and reasonable in the circumstances.

I say this because I'm satisfied Monzo followed Mr B's instructions to make the payment, and I haven't seen any reason why it shouldn't have done this. And unfortunately, there wasn't anything further Monzo could do to help Mr B recover the card payment, such as through a chargeback, as there was no prospect of success given the nature and purpose of the payment Mr B made.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 June 2025.

Matthew Horner  
**Ombudsman**