

## **The complaint**

Miss B complains that Monzo Bank Ltd won't refund her after she fell victim to a job scam.

## **What happened**

Miss B's complaint has already been set out in detail by the investigator that considered her complaint so I won't repeat it in detail here. But briefly, both parties accept that in around August 2023, Miss B received contact from an individual purporting to work for a recruitment agency, offering a remote working opportunity. Miss B confirmed her interest and thereafter was contacted by another individual who claimed to work for an application marketing firm. Unfortunately, unbeknownst to Miss B at the time, both these individuals were in fact fraudsters.

Miss B was told the role involved rating and reviewing 40 online applications and that by boosting their popularity, she would receive commission. Miss B was instructed to open an account on the 'company's' website and was added to an instant messaging group chat, where it appeared she was in the company of other employees of the firm. Unfortunately, this was all also part of the scam.

Miss B ran through a test platform with the fraudster, and received £100 back as payment, after which she was advised to open a Monzo account to continue her own work. As Miss B was completing tasks, she began encountering a 'negative balance', whereby she had to add money to her account in order to continue her tasks. The negative balances of her account kept increasing in size, but Miss B continued to top the account up again, believing that once she completed her 40 tasks, she would be able to withdraw her funds, plus commission. However, when she received further negative balances, she realised she'd fallen victim to a scam and contacted Monzo to raise a claim.

Overall, Miss B made the following payments towards the scam:

Date	Payment type	Value
14/08/2023	Faster payment to cryptocurrency platform	£2
14/08/2023	Faster payment to cryptocurrency platform	£2
14/08/2023	Peer to peer (P2P) faster payment – payee 1	£100
14/08/2023	P2P faster payment – payee 1	£100
15/08/2023	P2P faster payment – payee 2	£400
15/08/2023	P2P faster payment – payee 2	£180
15/08/2023	P2P faster payment – payee 3	£250
15/08/2023	P2P faster payment – payee 4	£600
15/08/2023	P2P faster payment – payee 5	£650
15/08/2023	P2P faster payment – payee 6	£1,000
15/08/2023	P2P faster payment – payee 6	£1,800
16/08/2023	P2P faster payment – payee 7	£2,000
16/08/2023	P2P faster payment – payee 8	£1,000
16/08/2023	P2P faster payment – payee 8	£1,000
16/08/2023	P2P faster payment – payee 9	£500

When making the payment transfers, Monzo conducted Confirmation of Payee (CoP) checks where possible, whereby it checked whether the payee name Miss B had entered matched that of the account details. However, Monzo has advised that other than providing this confirmation to Miss B, it provided no further warnings during any of the above payments.

Monzo investigated Miss B's complaint but didn't consider it was liable to refund her, as it said Miss B didn't take enough steps to verify the payments she was making. It was however able to recover the £2,000 Miss B sent to payee seven, which has been returned to Miss B.

Miss B remained unhappy and referred her complaint to our service. An investigator considered the complaint and upheld it in part. He identified that the complaint was not covered by the Contingent Reimbursement Model (CRM) Code, as payments were made to individuals in exchange for cryptocurrency, which was then transferred onto the fraudster (this type of transaction being specifically excluded from the CRM Code's scope). However, he thought that by the time Miss B made the first payment to payee six (£1,000) there were sufficient signs that Miss B may be at risk of financial harm from fraud for Monzo to conduct further questioning. He therefore thought Monzo ought to have provided a better automated warning, in an attempt to narrow down the reason Miss B was making these payments, and provide a warning tailored to this payment purpose.

The investigator considered that had Monzo questioned Miss B, it would've been able to identify the scam she was falling victim to and stop her from making further payments. However, he also considered Miss B ought to have identified red flags in what she was being asked to do by the fraudster and should therefore also be equally liable for her losses. He therefore recommended Miss B and Monzo share equal liability for payments made to payee six onwards – with Monzo refunding 50% of these losses (minus the £2,000 already recovered).

Miss B agreed to the investigator's findings. However, Monzo failed to provide a response. The complaint has therefore been referred to me for 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.

Having done so I'm also partially upholding it in line with the investigator's findings. Our statutory rules provide – at DISP 3.5.8 to 3.5.15 of the Financial Conduct Authority Handbook – that we may give case-management directions and fix or extend deadlines; and that we may:

*...reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested;*

And that...

*If a respondent fails to comply with a time limit, the Ombudsman may: (1) proceed with consideration of the complaint; and (2) include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make.*

I've therefore concluded that, in the absence of a response from Monzo to the investigator's initial assessment, it is fair and reasonable to proceed on the basis of the evidence we already have and/or to take account of Monzo's failure to reply to the investigator's opinion.

Based on the available evidence, I think it is fair and reasonable to conclude that Monzo ought to have provided a warning to Miss B at the point she made a payment to payee six, for substantively the same reasons as the investigator provided. Miss B made these after the inception of the Financial Conduct Authority's Consumer Duty, which puts an obligation on firms to avoid foreseeable harm to its customers. In the circumstances of this complaint when Miss B made a payment to payee six, this was also the sixth payment made that day, to the fifth new payee, with the majority of these payments increasing each time in value. I've seen no evidence to suggest Miss B wouldn't have been honest if questioned by Monzo on the purpose for these payments and, as this was a known scam at this time, I think Monzo would've identified Miss B was at risk of harm from fraud.

I also agree that a 50% deduction to Miss B's reimbursement is also fair based on elements of the scam that ought to have caused concern, such as the requests by an employee to receive multiple payments, particularly in cryptocurrency, alongside a salary that could be argued to be 'too good to be true' based on the amount of time that was required to put into the role.

### **My final decision**

My final decision is that I partially uphold Miss B's complaint against Monzo Bank Ltd and I direct Monzo to pay Miss B:

- 50% of her losses incurred to payee six onwards, with a deduction of £2,000 for funds already recovered (totalling £2,650)
- 8% simple interest from the date Miss B made these payments, until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 3 December 2024.

Kirsty Upton  
**Ombudsman**