

The complaint

Mrs V complains Monzo Bank Ltd didn't do enough to protect her when she fell victim to a job scam.

What happened

Mrs V has an account with Monzo. She has accounts with three other businesses too, who I'll refer to as "H", "W" and "R" throughout the rest of this decision.

Mrs V started a job on 1 September 2023 – having seen an opportunity online and having been contacted by someone claiming to be a recruiter. The job involved completing tasks online. Mrs V says she was shown how to do this and that in order to complete tasks she needed to buy cryptocurrency and send this to the platform she was working on. The whole opportunity was, in fact, a job scam and had all the common features of such scams.

Mrs V says she sent seventeen payments to a known cryptocurrency exchange or people selling cryptocurrency from her account with Monzo between 9 and 16 September 2023 in connection with her "job". The fourth payment she sent was a £4,500 payment to a known cryptocurrency exchange on 10 September 2023. Monzo says it intervened on 11 September 2023 when Mrs V attempted to make what was her third £4,000 payment to the same known cryptocurrency exchange in two days but allowed the payment to go through. Monzo says it blocked Mrs V's account on 17 September 2023 as it was concerned about the number of large payments coming into her account and then going out shortly afterwards. Monzo says it had concerns that Mrs V was falling for a scam. Monzo reached out to Mrs V via its online chat on 17 September 2023 and spoke to her on the phone. Mrs V says Monzo's intervention on 17 September 2023 led her to realise that she'd been scammed. The following day she contacted Monzo to ask for a refund, and she contacted H, W and R too.

Monzo looked into what had happened and said that it wouldn't be able to refund Mrs V's payments as they weren't scam payments. The scam had happened after she'd bought cryptocurrency, in other words after her money had already left Monzo. Mrs V was unhappy with Monzo's response and complained and came to us.

One of our investigators looked into Mrs V's complaint against Monzo and agreed that Monzo had intervened when Mrs V attempted to make a payment of £4,500 on 11 September 2023 but said that it hadn't taken any further action despite Mrs V sharing all the hallmarks of a potential job scam. Our investigator said that it wasn't until 17 September 2023 – when Monzo had blocked Mrs V's account – that Monzo warned Mrs V in clear terms that she was almost certainly falling victim to a scam. Our investigator thought that Monzo should have intervened earlier than it did – namely that Monzo should have intervened when Mrs V attempted to pay £4,500 to the known cryptocurrency exchange she was dealing with on 10 September 2023. Had Monzo done so – and done so effectively – our investigator thought that the scam would have been uncovered. So, they recommended that Monzo refund Mrs V from her £4,500 payment on 10 September 2023 and onwards, and that liability be shared. Our investigator recommended a 50% deduction from 10 September 2023 up to the first intervention on 11 September 2023 and a 25% deduction from all of the

payments after that.

Monzo disagreed with our investigator's outcome and asked for our investigator's thoughts on comments it had. Monzo then asked for more time to consider our investigator's recommendations. In the meantime, Mrs V's complaint was referred to decision because the outcomes of her other complaints weren't all agreed – one of the businesses involved asked for Mrs V's complaint against them to be referred to decision. All four complaints were, as a result, passed to me.

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.

Earlier on this month I issued a provisional decision in which I said the following:

"Everyone agrees that Mrs V has fallen victim to a job scam. She started this "job" on 1 September 2023 and things started to go wrong, as far as I can see, when she received her first earnings having worked five days in a row. Mrs V started receiving "combination tasks" at that stage which the scammers had already sold to her as a good thing saying that they were an opportunity to earn higher commission rates. And that the larger payments she had to make in order to take these tasks on – which she'd been told she'd ultimately get back – were, therefore, worth it. I can see that as a result of these "combination tasks", amongst other things, that Mrs V started making increasingly large payments towards the scam from 5 September 2023 and that she was soon sending payments of over £3,000 and ultimately payments of £10,000 from some of her accounts. In total, she sent over £80,000 to the scammers, approximately £70,000 of which came from Monzo. This triggered multiple warnings across her various accounts and meant Mrs V not only had problems finding money to fund her payments but was also very concerned about how much she might lose.

Monzo intervened on at least two occasions before Mrs V reported the scam, namely on 10 and 17 September 2023. I agree with our investigator that Mrs V volunteered information on 10 September 2023 that should have alerted Monzo to the fact that she was falling for a scam. I also agreed that Monzo didn't, therefore, do enough to prevent further losses earlier on in this scam. I do, however, also agree that the intervention by Monzo on 17 September 2023 was a particularly good example of a business intervening. I've seen the online chat in which Monzo questions Mrs V well and have listened to the calls between one of its agents and Mrs V. The agent made it very clear in those calls that Mrs V was almost certainly being scammed and it seems Monzo actually froze her account to stop her making any more payments such were its concerns. So, I agree that Monzo should refund Mrs V from the payment she made on 10 September 2023 onwards.

Our investigator recommended that liability be shared between Monzo and Mrs V on the basis of contributory negligence. In cases where we apply a deduction for contributory negligence, our starting point is a 50% deduction. In this case, our investigator recommended a 25% deduction from 11 September 2023 onwards. They did so because they felt Monzo's failure to identify the fact that Mrs V was being scammed when she provided so much information on 11 September 2023 was a significant one. Whilst I agree that Monzo's failure was significant, I can see that Mrs V did have concerns early on that she didn't act on and that there were a lot of red flags that she ignored. In addition, I think it's fair to say that even after Monzo had told her in very clear terms that she was being scammed that Mrs V still wanted to make "one last payment" in order to get her money back and would probably have done so had it not

been for Monzo freezing her account so she couldn't do so. In short, in this case I don't think there are good enough reasons to depart from our normal starting point. So, I'm minded to ask Monzo to refund 50% of the payments Mrs V made from the payment she made on 10 September 2023 onwards together with 8% simple interest from the date of payment to the date of settlement."

Both parties were invited to comment on my provisional decision and both accepted it.

Putting things right

Given that both parties have accepted my provisional decision, and considering everything again, I remain of the view that this complaint should be upheld in the way I've said. So, I'm going to require Monzo to refund the payments I said.

My final decision

My final decision is that I'm upholding this complaint and require Monzo Bank Ltd to refund 50% of the payments Mrs V made from the payment she made on 10 September 2023 onwards together with 8% simple interest from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 21 November 2024.

Nicolas Atkinson

Ombudsman