

The complaint

Miss N complains Monzo Bank Ltd didn't do enough to protect her when she fell victim to consecutive scams.

What happened

Miss N has an account with Monzo. She also has a savings account with another business who I'll refer to as "H" throughout the rest of this decision.

Miss N says she wanted to make extra money investing so started following people and companies on social media linked to investment. She says she received a number of messages about potential opportunities and that she followed them up having checked they were genuine. They all involved investing and at first she seemed to make good profits. However, she says that she started having problems when she tried to withdraw her profits or after trading for a while. Miss N says she ultimately realised that she'd been scammed, and so agreed to an online job which she was told would allow her to earn commission as she was broke. In fact, that was another scam.

Miss N contacted Monzo at the beginning of October 2023 to say that she'd been scammed and had lost approximately £10,000. She'd made almost 50 payments to cryptocurrency in a fourteen-day period.

Monzo looked into Miss N's case and said that as she'd authorised all of the payments and they'd gone to an account in her own name it couldn't raise a chargeback or refund them. Monzo did, however, offer Miss N £50 in compensation having accepted there were delays in its response to her complaint.

Miss N was unhappy with Monzo's response and so complained to our service. She also complained about a card payment she'd made from her account with "H" to cryptocurrency.

One of our investigators looked into Miss N's complaints and said that Monzo should have been concerned at the pattern that was emerging by the time she made a payment of just over £750 to cryptocurrency on 20 September 2023. Our investigator said that Monzo should have intervened at that stage, and had it done so they said the scam would have been uncovered. So, they recommended Monzo refund 50% of Miss N's payments from then onwards and pay 8% simple per annum interest from the date of payment to the date of settlement. Monzo didn't agree with our investigator's recommendations saying, amongst other things, that these weren't the scam payments, it couldn't stop them as it had to follow clear customer instructions and that her losses hadn't occurred on its platform. Miss N's complaint was, as a result, passed to me for a 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.

Our investigator has already explained to Monzo why in cases where it should fairly and

reasonably have intervened and this would have led to the scam coming to light it can be fair and reasonable to hold it liable for losses that occur after that. And we've explained our approach to Monzo too. I agree, given what I've just said, that none of the points Monzo raised in relation to our investigator's recommendations were good reason to come to a different view. In this case, I agree with our investigator that the payments Miss N was making – in response to the scams she was falling to – were too small in size in themselves to have warranted intervention. I also agree that there came a point where a number of factors, when taken together, should have caused Monzo to become concerned as the pattern suggested that she was likely falling victim to a scam. Those factors include the fact that Miss N in a short period of time started making a large number of payments to three different cryptocurrency providers at the same time as she was paying money into her account that was from lending and making multiple payments in a single day.

Our investigator said Miss N's account's activity should have raised concerns when she tried to make a payment of just over £750 to cryptocurrency. That's because she just paid a loan into her account – the third that month – and as before the payment was going out almost immediately and was going to take her into her overdraft. I agree that a combination of factors like this should have given rise to concerns. I do, however, think the pattern became concerning slightly earlier, namely when Miss N attempted to make a second payment of over £500 to the same cryptocurrency provider on 17 September 2023 having just paid a second loan into her account that month. So, that's the point from which I'm going to require Monzo to refund for the same reasons our investigator gave.

Putting things right

Given everything I've said, I'm going to require Monzo to refund Miss N 50% of the payments she made towards the scam from her payment of £518.84 on 17 September 2023 onwards together with 8% simple per annum interest.

My final decision

My final decision is that I'm upholding this complaint and I'm requiring Monzo Bank Ltd to refund 50% of the payments Miss N made towards the scam from her payment of £518.84 on 17 September 2023 together with 8% simple per annum interest award from the date of payment until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 2 January 2025.

Nicolas Atkinson
Ombudsman