

## **The complaint**

Mr K complains Monzo Bank Ltd didn't do enough to protect him when he fell victim to a scam.

## **What happened**

Mr K has an account with Monzo that he opened in the course of this scam, at the scammer's suggestion. He also has a current account with a business who I'll refer to as "N" throughout the rest of this decision.

Mr K says he received a message in September 2022 on a well-known app from someone asking him if he wanted to attend a football match. He replied saying they'd got the wrong number. He says the person nevertheless introduced herself and that they got talking. Mr K says that they had a lot in common and that the person to whom he was talking appeared to be a wealthy individual. He also says that everything the person said checked out, so he believed that they were genuine. He was, in fact, talking to a scammer.

Mr K says that the scammer mentioned cryptocurrency after they'd been talking for a while and said that she'd made a lot of money from this. He says she asked him if he was interested. He said he was, and that she helped him open a cryptocurrency wallet and showed him how to invest. I'll refer to this wallet as his "first cryptocurrency wallet". Investing involved transferring money from his cryptocurrency wallet to the trading platform the scammer had introduced him to.

Mr K says he agreed to invest and sent £300 to his first cryptocurrency wallet which he then moved onto the trading platform. He says he could see how his money was doing once he'd moved it onto the trading platform and that he invested more and more as his confidence in the scammer and the investment grew. The scammer told him to open an account with Monzo and a second cryptocurrency wallet during the scam. I'll refer to this wallet as his "second cryptocurrency wallet".

Mr K says that when he tried to make a withdrawal – to pay off a loan which he'd used to invest after using up all of his savings – he was told his trading account had been frozen and that he'd need to pay money in to unfreeze it. He did so. He says he was then told he'd have to pay additional fees. Mr K says he paid around £80,000 to the scammers, including the proceeds of three loans totalling £70,000.

Mr K says he contacted the FCA at the beginning of March 2023 to find out how to get the money out of his trading account – given the problems he was having accessing it and his growing suspicions – and was told that he'd almost certainly been scammed. Having spoken to the FCA, he contacted N and Monzo and asked for help getting his money back.

On 4 April 2023 Mr K – with the help of a representative – complained to Monzo saying that he'd lost approximately £80,000 to the scammers between 9 October 2022 and 6 March 2023 to an investment scam. He complained that Monzo should have done more to protect him.

Monzo looked into Mr K's complaint and said that it had done nothing wrong as it had followed his instructions – as it's required to do unless it has reasonable grounds to suspect that a payment would result in a customer being the victim of fraud – and had given appropriate warnings in its online banking and its website in relation to the types of scams it was seeing.

Mr K's representatives weren't happy with Monzo's response and complained to our service. They also complained to our service about N's response.

One of our investigators looked into Mr K's complaint against Monzo and said that the third payment he made – of £10,000 on 18 October 2022 – should have triggered an intervention from Monzo. Our investigator said that had Monzo intervened effectively at this stage that the scam would have been uncovered. So, they recommended that Monzo refund 50% of the payments Mr K had made towards the scam from this point onwards.

Mr K's representatives disagreed with our investigator's recommendation in relation to contributory negligence saying that they didn't believe a 50% deduction was appropriate. Monzo also disagreed. Mr K's complaint was, as resulted, referred to an ombudsman for a decision and 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 detailed provisional decision saying I agreed with our investigator that Monzo could have prevented Mr K from making further losses from 18 October 2022 onwards and that Mr K should share responsibility. However, I also said that I was satisfied that N could have done more to prevent losses here too for reasons I gave in a separate provisional decision that I issued on the same day. Because of that, I said I was minded to say that Monzo should refund 33% of the losses both respondents could have prevented.

All parties involved were invited to reply to my provisional decisions. All parties accepted them. Having reconsidered everything, I remain of the view that the outcome set out in my provisional decision is fair. So, I'm going to require Monzo to do what I said in that decision.

### **Putting things right**

Monzo should refund the £4,500, £1,721.50 and £2,700 payments to Mr K's second cryptocurrency wallet on 1 December 2022, 5 January 2023 and 6 March 2023 respectively on a 50/50 basis as these are losses it alone could have prevented. In other words, Monzo should refund 50% of these payments.

Between 18 and 20 October 2022 Monzo paid £30,000 to Mr K's second cryptocurrency wallet which was subsequently lost to the scam. These payments were funded from Mr K's account with N including from a £30,000 loan he took out from N for "home improvements". Monzo and N could have prevented this £30,000 loss. So, Monzo should refund 33% of the payments Mr K made to his second cryptocurrency wallet between 18 and 20 October 2022.

Between 7 and 10 November 2022 Monzo paid £21,500 to Mr K's second cryptocurrency wallet which was subsequently lost to the scam. These payments were funded from Mr K's account with N including from a £22,000 loan he took out for "home improvements". Monzo and N could have prevented this £21,500 loss. So, Monzo should refund 33% of the payments Mr K made to his second cryptocurrency wallet between 7 and 10 November

2022.

Between 16 and 17 November 2022 Monzo paid £17,500 to Mr K's second cryptocurrency wallet which was subsequently lost to the scam. These payments were funded from Mr K's account with N including from a £17,500 loan he took out for "home improvements". Monzo and N could have prevented this £17,500 loss. So, Monzo should refund 33% of the payments Mr K made to his second cryptocurrency wallet between 16 and 17 November 2022.

### **My final decision**

My final decision is that I'm upholding this complaint and require Monzo Bank Ltd to refund the payments I've mentioned above having made the appropriate deductions. In addition, I require Monzo Bank Ltd to pay 8% simple per annum interest on these refunds from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 December 2024.

Nicolas Atkinson  
**Ombudsman**