

The complaint

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

What happened

Mr D has an account with Monzo and an account with an electronic money institution who I'll refer to as "R" throughout the rest of this decision. He has accounts elsewhere too, including an account with a credit card with a business who I'll refer to as "V" and a current account with a business who I'll refer to as "H" throughout the rest of this decision.

Mr D says he received a phone call from someone claiming to be from V. He says they took him through security and told him that his account appeared to have been compromised. He says they asked him to confirm whether two suspicious transactions were his, and he says he confirmed they weren't. Mr D says the person he was speaking to told him that his account had probably been compromised and asked him if he had any other accounts as they might be too. Mr D says he told them about his accounts with Monzo, R and H and says the person he was speaking to told him they'd inform his other banks and would call back.

Mr D says that later on that day he received several calls from a number with no caller ID. He says the person calling told him that they were from an organisation that helps combat fraud and that they were calling on behalf of H and his other banks. He says they told him that someone had attempted a number of large transactions on his account with H but that these transactions had been blocked. He says he was asked to check there were no other transactions on his other accounts that he couldn't identify, and that he was told that there were other suspicious transactions on his other accounts including a loan application.

Mr D says he was told to apply for a £3,000 loan and for a £750 overdraft on his account with Monzo as a way of checking it was secure as it should have been blocked. He says that he was sent a text which showed it had been sent by Monzo as a way of proving he was speaking to someone who was calling on behalf of Monzo. Mr D says the £3,000 loan and £750 overdraft – lending he says he was coerced into applying for – was approved and that he was told to send the loan proceeds to his account with R as that was the only account he had that hadn't been compromised. Having done so, Mr D says he was coerced into approving card payments that he was told would be sent back to his accounts and that the loan and the overdraft would be closed.

Mr D says that he was told to contact a family member – having approved the card payments I've just mentioned – to ask them to move money into his accounts to see if they were able to receive large sums of money or not. He says this was when he realised he'd been scammed. He contacted Monzo and R straightaway and H saying that he'd lost over £5,600 and asking for their help in getting his money back. He says he hadn't done so sooner because the scammers had told him to talk to no-one as there were ongoing investigations into how his accounts had been compromised and that had been one of the reasons why he'd challenged them when they told him to contact a family member and had started to suspect this was a scam.

Monzo looked into Mr D's claim and said that it couldn't help as all of the payments that he'd made had gone to his account with R. In other words, into another account in his name. Monzo said he should contact R for help in getting his money back. Mr D did so but continued to complain and to ask what would happen to the loan and the overdraft. Monzo has since accepted that Mr D didn't get call backs that he was promised and agreed to pay him £50 in compensation for the trouble this had caused. Mr D was unhappy with Monzo's response and ultimately complained to our service. He complained to us about R too.

One of our investigators looked into both of Mr D's complaints and said that they didn't think Monzo had acted unfairly as the payments he made from his account with Monzo weren't sufficiently unusual to be of concern. Mr D disagreed saying that they were and asked for his complaint to be referred to an ombudsman for a decision. He said the same for his complaint about R. Both 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.

I can see that a loan for £3,000 was paid into Mr D's account with Monzo at 16:11 on 4 September 2024. Mr D has told us that he was coerced into applying for this loan and told to include false information in his application – saying, for example, that he earned over £65,000 when this wasn't the case. I'm satisfied that Monzo didn't rely on the earnings figures Mr D had included in the application – it's shown it did checks to verify his income – or the other false information in Mr D's application. So, I don't agree that the loan should be written off or adjusted on the basis that it was obtained on false information. I am, however, happy to take into account what Mr D has said about the circumstances in which the loan and his overdraft were taken out when deciding this complaint and any related complaints.

Shortly after taking out the loan and overdraft, I can see that Mr D made three payments from his account with Monzo to his account with R – for £1,200, £1,400 and £1,00 at 16:26, 16:27 and 16:28 respectively. Those payments took his account with Monzo into his new overdraft – he was £600 overdrawn after they'd left meaning he'd used most of his overdraft. I can see that none of these payments triggered a warning from Monzo.

Monzo has said that none of the payments I've just mentioned triggered a warning because Mr D regularly sent money from his account with Monzo to his account with R meaning it was considered a long established and trusted payee. More importantly, I've seen evidence from Monzo showing that Mr D does indeed regularly send money to his account with R and had been doing so for over three years. I agree with our investigator that it isn't necessarily unusual for someone to transfer the proceeds of a loan that they receive out of their account shortly after receiving the proceeds. In the circumstances, given everything I've just said, I agree that this isn't a case where Monzo could fairly and reasonably have been expected to intervene. I agree with Monzo – given that Mr D had paid the money into his account with R – that the most helpful thing that Monzo could do as far as recovery was concerned was to recommend Mr D speak to R. And I can see that he did.

I can see that Monzo didn't handle Mr D's claim as well as it could have done – in particular, it didn't call him back when it had promised to do so. I can also see that Mr D spoke to Monzo about the loan and the overdraft in the aftermath of the scam. He told Monzo that he was really worried about the impact it was going to have on his finances and the impact it was having on his ability to pay essential bills. I'm satisfied that Monzo provided Mr D with appropriate support – including granting him a breathing space and signposting him to organisations likely to be able to help – and I can see that he's since paid off the loan and the overdraft. I've spoken to Mr D and he's confirmed that he was able to do so with the help

of his family. I'm not, therefore, going to ask Monzo to do more here or comment further.

My final decision

My final decision is that I'm not upholding Mr R's complaint against Monzo.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 December 2024.

Nicolas Atkinson
Ombudsman