

The complaint

Miss P complains Monzo Bank Ltd won't refund her for payments made in connection with a scam – some of which she says were unauthorised.

What happened

Miss P was contacted via a messaging app about a remote job opportunity with a company, "M", which involved completing tasks on a platform in return for commission. Miss P was told she needed to send payments to M's platform in order to earn more commission. Unfortunately, this was a scam.

On 17 September 2024 three payments were sent from Miss P's Monzo account to "Y", a firm providing money remittance services with whom she holds an account. This money was used to fund payments on to the scammers.

Shortly after, Miss P contacted Monzo to dispute these payments. She said she made the first payment (for around £140), but not the two subsequent transactions (for around £370 and £1,200 respectively).

Monzo didn't agree to refund her, arguing the funds were lost from her Y account. Unhappy with this response, Miss P referred her complaint – about Monzo's refusal to refund her – to our service.

Our investigator didn't uphold the complaint. He thought Miss P authorised the payments – and didn't think Monzo had cause to suspect they were linked to fraud. Miss P says she doesn't accept this outcome as she has been scammed.

What I've decided – and why

Before explaining my outcome, I want to clarify the scope of what I'm considering.

Miss P has complained about three transactions made on 17 September 2024. I have seen there was a payment the day before, for around £50, which looks as though it could also be connected to the scam.

It's unclear to me if Miss P has omitted this payment deliberately (as it was flagged to her by the investigator on the complaint she raised about Y). Regardless, as it hasn't been complained about, I don't have the power to consider it within this case. In the event Miss P does wish to dispute this payment, she will need to raise it with Monzo directly in the first instance. However, in the interest of managing expectations, I would suggest Miss P takes the outcome of this case into account when deciding how to proceed.

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've decided not to uphold it. I'll explain why.

In line with the relevant legislation – the Payment Services Regulations 2017 (PSRs) – the starting position is that Miss P is liable for payments she authorises, and Monzo is liable for unauthorised payments taken from her account.

The PSRs specify that authorisation depends on whether the payments were authenticated correctly – meaning whether the correct payment steps were completed (which hasn't been disputed here) – and whether the account holder consented to them. Under the PSRs, consent is given by completing the payment steps.

This means if Miss P – or someone with her authority – completed the steps to make the payments, they are deemed authorised. Miss P has, at points, suggested she made the first disputed payment but that the scammers then used her card details from that payment to make the subsequent two. However, having carefully considered all the evidence, I'm persuaded she authorised all three payments.

There are a few reasons for this. The payments were sent from Monzo via another account Miss P holds. So, it wasn't the case that she entered her card details into the scammers' website/platform directly, providing a potential opportunity for them to be stolen. Rather, she would have entered her card details on Y's platform.

So, to make these payments, an unauthorised person would have needed Miss P's Monzo card details – *and* access to her Y account. Additionally, the third payment was approved via a "3D Secure" check. This is an extra step required to authorise some card payments. To complete this, access would have been required to Miss P's phone and/or Monzo app.

Based on what Miss P has told us about how this scam unfolded, I don't consider it likely the scammers could have got the information and access required to make these payments. For example, there is no suggestion Miss P was tricked into sharing any details required to access her accounts – or that remote access software, which might enable a scammer to view her payment information, was utilised during the scam.

Looking at the messages Miss P has provided between her and the scammers, it also appears she was discussing making the payments with them. For example, they asked her to send them screenshots of the payments once completed. Miss P has also referred to the scammers telling her to show them what she was doing in Y's platform. It seems unlikely they would ask her to do this if they already had control of her account(s).

I note all three payments from Monzo were funded by corresponding credits into Miss P's Monzo account, which show as coming from an account in her name with another firm. I think that further suggests Miss P was aware of, and agreed to, the payments. On balance, I'm therefore persuaded the payments were authorised – meaning Miss P is presumed liable for the loss in the first instance.

However, there are some situations where I would reasonably expect a firm to make further enquiries about a payment before deciding whether to process it – in circumstances where there are grounds to suspect the payment presented a fraud risk. That might be the case if a payment appears suspicious or uncharacteristic compared to the normal use of the account.

Here, I don't think Monzo had grounds to think the payments looked suspicious. While they were sent in fairly quick succession, neither the individual nor overall amount(s) looked particularly concerning or unusual compared to Miss P's general spending. And she frequently sent payments to Y. In the circumstances, I consider it reasonable that Monzo processed the payments, without completing additional checks, in line with the instructions it received.

As the funds were sent via Miss P's account with Y, a genuine firm who provided the services it was asked to, I don't think the funds could have been recovered either.

I appreciate this will be disappointing for Miss P, who has clearly fallen victim to a scam. But having carefully considered the circumstances, I don't think any failings by Monzo caused or contributed to her loss. I therefore don't consider it fair to direct Monzo to refund her.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 30 April 2025.

Rachel Loughlin
Ombudsman