

The complaint

Miss M complains that Monzo Bank Ltd didn't do enough to protect her from the financial harm caused by a job scam, or to help her recover the money once she'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss M received a message on WhatsApp from someone I'll refer to as "the scammer", who claimed to work for a recruitment company I'll refer to as "A". The message referred to a job opportunity, which didn't strike Miss M as suspicious having recently posted her details on a recruitment site.

The scammer explained to Miss M that she would be working for an overseas company, which I'll refer to as Company S, and that the role would require her to optimise apps in return for commission of up to \$200 per day. She was added to a chat group with others doing the same role and told she'd have to pay for 'tasks' using cryptocurrency.

The scammer asked Miss M to first purchase cryptocurrency through a cryptocurrency exchange company and then load it onto an online wallet. Miss M sent funds from Bank L to Monzo, and between 6 January 2024 and 18 January 2024, she made seven debit card payments to the cryptocurrency exchange totalling £24,146.

Unfortunately, Company S was a clone of a genuine company and Miss M didn't receive any commission. She realised she'd been scammed when she was unable to make a withdrawal, having completed the required number of tasks. She complained to Monzo arguing that she used the account for day-to-day transactions like shopping and bills. Her representative said she had answered Monzo's questions truthfully and that she showed screenshots of the fraudulent app to the bank during the intervention, so it was on notice that she was a victim of fraud.

The representative said Monzo should have intervened on 11 January 2024 when Miss M made a payment of £3,070, and if it had asked probing questions, it would have uncovered the scam. They also explained that Miss M had believed the scammer was genuine because Company S was registered in the UK, she'd been looking for a job, and she was added to a WhatsApp group with others doing the same role.

But Monzo refused to refund any of the money Miss M had lost. It said the payments were transferred to another account in Miss M's name, so no fraud occurred from the Monzo account, and it didn't have sufficient grounds to raise a chargeback claim because the service was provided.

It said it contacted her by phone when she tried to make a payment for £10,280 on 14 January 2024. Miss M said she hadn't been contacted by anyone and was investing herself, and it provided detailed information about scams before the payment was processed.

Our investigator didn't think the complaint should be upheld. He accepted the payments were unusual because Miss M was paying a cryptocurrency exchange, and the amounts were large when compared to the account history. She'd also moved money into the Monzo account from Bank L before making payments to the scam.

He noted that when Monzo intervened on 14 January 2024, Miss M said she was buying cryptocurrency, she'd moved the funds from Bank L because Monzo was more reliable, she'd researched the investment herself, and no one had advised or guided her. She was then shown scam warnings in the chat which she confirmed she'd read, including the sections relating to job scams and cryptocurrency investments.

Our investigator was satisfied the warnings were relevant and that Miss M ought to have realised they were relevant to her circumstances, and he was satisfied the intervention was appropriate. He also explained that even if Monzo had intervened again, Miss M would likely have provided the same or similar answers and gone ahead with the payments despite appropriate warnings and questioning.

Finally, he didn't think a chargeback claim would have been successful because Miss M paid a legitimate cryptocurrency exchange, and she would have received a service from the cryptocurrency exchange.

Miss M has asked for the complaint to be reviewed by an Ombudsman. Her representative has argued that the call wasn't sufficient, and that Miss M misunderstood what the call handler was saying as English isn't her first language, and there were moments when her answers didn't match the context of the question or weren't consistent or coherent, which should have led to further investigation. They've also argued that Miss M was confused rather than deliberately trying to mislead Monzo and if the call handler been more patient and asked further probing questions, they'd have exposed the scam.

They've commented that the call handler didn't question the end destination of the payments or the due diligence she'd done, and her lack of knowledge of cryptocurrency should have been a red flag.

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.

Having done so, I've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Miss M has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Miss M 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Miss M is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Miss M didn't intend her money to go to scammers, she did authorise the disputed payments. Monzo is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

I've thought about whether Monzo could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to a genuine cryptocurrency exchange company. However, Monzo ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it did enough to warn Miss M when she tried to make the payments.

Monzo intervened on 14 January 2024 and so I've considered whether it intervened at the right time and whether the intervention was proportionate to the risk. I wouldn't expect Monzo to have intervened in either of the first two payments because even though Miss M was sending funds to a cryptocurrency exchange, the payments were relatively low value.

Payment three was for £3,070 and so it's arguable that Monzo ought to have intervened before this payment, but I don't think it would have made any difference. This is because I've listened to the two calls that happened on 14 January 2024, and I'm satisfied that Miss M was asked probing questions and that her responses prevented Monzo from detecting the scam. Across the two calls, Miss M was questioned at length by the call handler in response to which she said she hadn't been asked to download remote access software, she wasn't being assisted by a third party, she was investing in cryptocurrency and had been doing it for less than a month, she'd done a bit of research and had chosen the cryptocurrency platform because it was the most trustworthy, she hadn't been added to any group chats, and she wasn't telling lies.

The call handler expressed concerns that Miss M didn't seem to know a lot about cryptocurrency and that she hadn't done any research, and at the conclusion of the first call she gave her a detailed warning about cryptocurrency investment scams including details about red flags such as the involvement of social media, being added to group chats, being promised high returns, and being asked to download remote access software. She also gave some detailed instructions about due diligence including checking the FCA and Companies House websites and explaining the significance of a company not being regulated. The call handler also sent Miss M some information about job scams and investment scams and asked her to confirm that she'd read it, which she did.

At the conclusion of the intervention, Miss M confirmed that she wasn't going to make the payment, but she expressed dissatisfaction with the time it was taking for her account to be unblocked.

I've considered whether the intervention was proportionate to the risk presented by the payment, and I'm satisfied that it was. I'm also satisfied that the questions were relevant and probing and that the call handler didn't take Miss M's answers at face value, asking her in different ways whether there was a third party involved, and testing her responses when they were inadequate or unclear.

Ultimately, the call handler was prevented from detecting the scam because Miss M failed to disclose that she'd been contacted on WhatsApp and that she was buying cryptocurrency to pay for tasks which she expected to be paid commission for.

Significantly, Miss M was given warnings relevant to both cryptocurrency investment scams and job scams and, even though she didn't go ahead with the payment, she did make three further payments, despite having received warnings which were relevant to her circumstances. So, even if Monzo had intervened before the third payment, I don't think it would have made any difference because Miss M was determined to make the payments to the extent that she failed to disclose key facts to Monzo which would have assisted it to

uncover the scam. And I don't accept that Miss M's failure to disclose these key facts was a result of confusion because she did it repeatedly and consistently.

Miss M's representative has suggested that the call handler didn't question Miss M about due diligence, but I'm satisfied that she did. They've also said that Miss M's lack of knowledge about cryptocurrency should have been a red flag, but as I've explained, I'm satisfied she did express concerns about this and carefully explained the risks before agreeing to unblock the account.

The representative has also commented on the fact English isn't Miss M's first language, but I'm satisfied that she was fully engaged in the conversation, and I don't think it was unreasonable for the call handler to have proceeded with the call without assistance.

Overall, I'm satisfied Monzo took the correct steps prior to the funds being released – as well as the steps it took after being notified of the potential fraud. I'm sorry to hear Miss M has lost money and the effect this has had on her. But for the reasons I've explained, I don't think Monzo is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

Recovery

I've thought about whether Monzo could have done more to recover the card payments when she reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. HSBC) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Miss M).

Miss M's own testimony supports that she used a cryptocurrency exchange to facilitate the card payments. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchange would have been able to evidence they'd done what was asked of them. That is, in exchange for Miss M's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied Monzo's not to raise a chargeback request against the cryptocurrency exchange company was fair.

And I don't think there was a realistic prospect of a successful recovery because Miss M paid an account in her own name and moved the funds onwards from there.

Compensation

The main cause for the upset was the scammer who persuaded Miss M to part with her funds. I haven't found any errors or delays to Monzo's investigation, so I don't think she is entitled to any compensation.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 8 September 2025.

Carolyn Bonnell

Ombudsman