

The complaint

Mr M has complained that Monzo Bank Ltd (“Monzo”) failed to protect him from falling victim to a job-based scam, and hasn’t refunded the money he lost.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr M has used a professional representative to refer his complaint to this service. For the purposes of my decision, I’ll refer directly to Mr M, but I’d like to reassure Mr M and his representative that I’ve considered everything both parties have said.

Mr M explains that throughout 2023 he was looking for an additional job to supplement his income. He worked four days a week and was interested in part-time, home-based work to help with household expenses, as his partner was unable to work, and they had three young children to care for. Mr M began actively applying for jobs through various recruitment sites. He says that around July 2023 he came across an advert for an online job. Given his previous encounters with legitimate adverts on the same site as he saw this one advertised, he had no reason to doubt the authenticity of it. The advert promoted an online product optimisation company which I’ll call “Y”, advertising remote work, which matched his requirements.

Mr M says he conducted research online and found no negative reviews, and also confirmed that a company was registered in Y’s name. This reassured him that the opportunity was genuine, though he later learned he had been targeted by scammers who had cloned a reputable company.

Mr M completed a registration form linked to the advert, providing his phone number and name. Later that day, he was contacted via a popular messaging application by a representative of the website, who asked if he was interested in the online job. Mr M confirmed he was and was introduced to a woman (“the scammer”) who identified herself as a trainer. She explained that Y was a data optimisation company offering remote work, which involved rating mobile apps to boost their visibility and sales. The scammer explained that Mr M would need to work through tasks in return for commission, with options to invest further to increase his potential earnings. Mr M says the scammer’s detailed and professional explanation convinced him of the legitimacy of the job.

Mr M visited the company website which he recalls as appearing professional, and including sections such as “About Us,” FAQs, and a 24/7 live chat feature. He created an account and the scammer provided a tutorial, teaching Mr M how to access data sets and fund an online wallet linked to the website. She detailed a ranking system (VIP Levels) and combination tasks, which required additional investment but promised higher commission.

On 8 August 2023, under the scammer’s guidance, Mr M began completing the tasks. He says that his initial experience was positive, and he trusted the scammer, who appeared

knowledgeable and supportive. Mr M says that during that day he encountered his first combination task, which caused his account to show a negative balance. As the scammer had previously explained this concept to him, he funded the account to continue, by adding funds to his cryptocurrency wallet using his Monzo debit card, and then transferring the cryptocurrency to a wallet directed by the scammer, believing this was crediting his work account. Mr M says that Monzo didn't intervene before the payment was sent, despite its association with cryptocurrency and the potential risk of scams.

Mr M continued working on 9 August 2023 and made further payments of £90, £30, and £23 to the cryptocurrency wallet to resolve negative balances caused by combination tasks. He says the lack of intervention by Monzo further made him believe that the transactions were legitimate. The scammer then encouraged Mr M to upgrade his account in order to earn a higher rate of commission. Mr M agreed to do this and he made an additional payment of £150 on 10 August 2023 to pay for the upgrade.

The payments Mr M made as part of the scam were as follows:

	Date	Amount
1	08/08/2023	£10
2	09/08/2023	£90
3	09/08/2023	£30
4	09/08/2023	£23
5	10/08/2023	£150
6	11/08/2023	£250
7	12/08/2023	£800
8	12/08/2023	£1,270
9	12/08/2023	£250
10	12/08/2023	£100
11	12/08/2023	£250
12	12/08/2023	£21.89
	Total	£3,244.89

On 12 August 2023 after another significant combination task caused his account to show a negative balance of £5,800, Mr M realised he had been scammed. He contacted Monzo through its live chat feature, but he says he was disappointed by the response. Monzo said it wasn't responsible for refunding the payments as they'd been made to Mr M's cryptocurrency wallet before being sent to the scammer, so the loss hadn't occurred when they left Monzo.

Mr M made a complaint to Monzo, in which he said that its lack of action enabled the scam to succeed, and that an intervention could've prevented his significant financial losses. Monzo didn't respond to Mr M's complaint, so he referred it to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that the transactions were all low enough in value that he thought it was reasonable for Monzo to allow them to proceed without delaying or blocking them to ask any questions first. He also said he didn't see a pattern indicating that Mr M was falling victim to a scam, so he didn't think Monzo had missed the chance to intervene and prevent the scam.

As Mr M didn't accept the investigator's opinion, the case has been passed to me to make 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.

I want to begin by saying I'm truly sorry to hear that Mr M has been the victim of a scam. Falling victim to fraud can be deeply distressing, and I understand the impact this has had on him. But after carefully reviewing the circumstances of Mr M's complaint I'm not upholding it. I'll explain why below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr M authorised these payments from leaving his account. It's accepted by all parties that Mr M gave the instructions to Monzo and Monzo made the payments in line with those instructions, and in line with the terms and conditions of Mr M's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

The payments Mr M made were clearly identifiable as transactions to a cryptocurrency provider. While Monzo could recognise that the payments were for cryptocurrency, this alone does not automatically suggest fraudulent activity. Purchasing cryptocurrency is a legitimate activity, and many customers use their accounts to do so. Additionally, the payments were made to a legitimate cryptocurrency provider, not to a suspicious or unregistered business. This would have made it more difficult for Monzo to determine that these transactions were linked to a scam.

Looking at the payments Mr M made, the first four transactions were relatively low in value. These amounts were consistent with his usual spending behaviour, and there was nothing particularly unusual about them. Monzo is required to have systems to detect suspicious or irregular activity, but in this case, I wouldn't have expected the earlier transactions to appear as such.

From the fifth payment onward the amounts began to increase. But by this stage, the payee was more established, making it reasonable for Monzo to view these larger payments as less suspicious, and there wasn't a clear or consistent increase in the size of the payments that would typically trigger concern. I do note that on 12 August 2023 Mr M made five payments in one day. But even when combined, the total value of these payments was still relatively low. And considering the broader pattern of payments that were made throughout the scam, making 12 payments over five days isn't excessive and doesn't in itself indicate fraudulent behaviour.

Whilst banks are required to have systems in place to detect and prevent fraud, they're not expected to block all transactions involving cryptocurrency or other high-risk activities without suspicion of fraud. In this case, Monzo had no clear indication that Mr M was being scammed. At the same time, banks expect customers to take reasonable steps to protect themselves, such as verifying who they're dealing with and being cautious about the payments they make. Unfortunately scams can be sophisticated, as seems to be the case here, and I appreciate how easy it is to be caught out.

Recovery of the funds

The payments were all made using Mr M's debit card, so the chargeback process is relevant here. In simple terms a chargeback is a mechanism for a consumer, via their card provider, to reclaim money from a retailer's bank when something has gone wrong, provided the transaction meets the eligibility criteria. It's for the card provider to decide whether to raise a chargeback, and it only needs to do so if it has a reasonable prospect of success.

It's also relevant to note that raising a chargeback isn't a legal right, and it's for the debit or credit card provider to decide whether to make a chargeback request to the merchant's bank. The process for managing these claims is determined by a set of rules by the card payment networks and there are no guarantees the card provider will be able to recover the money through the chargeback process.

In order for Monzo to raise a successful chargeback it'd need to provide evidence that the merchant didn't provide the goods or services that Mr M paid for. So although I understand Mr M used his debit card to purchase cryptocurrency which he sent on to the scammer, there's no evidence that merchant didn't fulfil their obligation to provide the cryptocurrency that was paid for. So the dispute doesn't lie between Mr M and the merchant, but instead Mr M and the scammer.

With this in mind, there wasn't a reasonable prospect of a chargeback claim being successful, so I don't think that was a route that Monzo ought to have pursued.

I'm very sorry for what's happened to Mr M and I appreciate how upsetting this experience must have been. But based on all the information I've seen I'm not persuaded that Monzo acted unreasonably by processing Mr M's payments in line with his instructions, without intervening first. There was no clear indication that the transactions were fraudulent, and so I don't think Monzo missed an opportunity to step in and prevent the scam from taking place. So I'm afraid I don't require Monzo to refund the money Mr M lost.

My final decision

I don't uphold Mr M's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 February 2025.

Sam Wade
Ombudsman