

## **The complaint**

Mr M complains that Monzo Bank Ltd won't reimburse him the money he lost after he fell victim to an Authorised Push Payment ("APP") scam.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary I understand it to be as follows.

On 11 August 2024 Mr M received a text message, claiming to be from Monzo's fraud team, regarding transactions that had been attempted on his account. Shortly after receiving the message, Mr M received a call from somebody also purporting to be from Monzo's fraud team. But unknown to him at the time, Mr M was speaking to a fraudster.

Mr M was duped into believing that his account was at risk and under the fraudster's instruction approved a card transaction, for £802.94, to a well-known online marketplace, on the understanding that the money would be credited back to his account.

Soon after making the payment, Mr M became suspicious. He tried to contact Monzo on 11 August 2024 but has said it was closed. So, he contacted Monzo the next day to report the fraud. Monzo considered Mr M's claim but didn't consider it was liable for the losses Mr M incurred.

Unhappy, Mr M brought his complaint to our service. One of our Investigator's looked into things, but didn't recommend the complaint be upheld. In summary, she didn't think the payment was remarkable enough for Monzo to have had any concerns that it may be related to a scam. Alongside this she didn't think Monzo missed an opportunity to recover the money Mr M had lost.

Mr M disagreed with the Investigator's opinion and as the matter hasn't been resolved, it's been passed to me to decide.

## **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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry to hear of what's happened to Mr M, and I can understand entirely why he feels so strongly that this money should be returned to him. But having thought very carefully about

Monzo's actions, I think it did act fairly and reasonably in allowing the payment to leave his account. I'll explain why.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. It is the case that Mr M authorised the payment in dispute – and that's accepted by all parties. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr M is responsible for the payment. That remains the case even though Mr M was the unfortunate victim of a scam.

There are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Monzo) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr M when he authorised the payment, or whether it should have done more than it did.

I've thought about this carefully. Having done so, I can't fairly say the payment Mr M made would (or should) have alerted Monzo that he was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payment. So, I don't consider Monzo are liable for the loss Mr M incurred. I'll explain why.

I have to be mindful that banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

Here, I don't consider there is anything so unusual or remarkable about the payment or the amount that ought to have alerted Monzo to the possibility Mr M was being scammed or was at risk of financial harm. I can see that, in the months leading up to the scam, there are transactions from Mr M's account for similar or higher amounts. I'm also mindful here that the payment was going to a genuine merchant who Mr M had made payments to before. While I appreciate it was a lot of money to Mr M, the amount wasn't so significant to the point where I could reasonably have expected Monzo to carry out some additional checks on it.

Finally, I've considered whether there was any opportunity for Monzo to have recovered the money Mr M sadly lost. It's possible to dispute a debit card payment through a process called 'chargeback', which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules.

I haven't seen any evidence that Monzo raised a chargeback here. But, in any event, in the circumstances of this case I don't think that has made a difference. I say that as it's evident here that the card payment Mr M made went to a legitimate merchant and I think it's more likely than not the merchant has provided the goods or services paid for (albeit to the fraudsters). Sadly, this is a common tactic for fraudsters, to dupe people into making payments for goods or services that the fraudsters will then receive.

Mr M's dispute is mainly with the fraudster. But as the card payment was made to a legitimate merchant and not the fraudster, Monzo can't raise a claim against the fraudster directly, but rather, only the legitimate merchant Mr M has paid. I'm persuaded here that that there would have been no reasonable grounds for a chargeback to be raised against the merchant here under any of the chargeback reasons provided for in the card scheme's rules.

I am sorry to disappoint Mr M, he was the victim of a cruel scam, and he has my sympathy

that he has lost money in this way. However, I can't fairly say Monzo should have prevented the loss and therefore it isn't liable to reimburse Mr M.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 July 2025.

Stephen Wise  
**Ombudsman**