

## **Complaint**

Mrs B is unhappy that Monzo Bank Ltd didn't agree to refund her after she fell victim to a scam.

## **Background**

In late-2023, Mrs B was contacted in connection with a job opportunity. The role was flexible in terms of the hours expected and could be completed remotely. She was told that she would be asked to complete tasks on a platform maintained by the employer. The premise was that these tasks would assist clients of the employer with "app optimisation." Unfortunately, this wasn't a legitimate job opportunity. Mrs B had been targeted by a fraudster.

She was told that she would earn commission for each task completed. However, her account on the company's platform needed to be funded. She was asked to make payments to the company platform to enable her to earn and access the commission payments she thought she'd be entitled to. She made those payments in the expectation that she'd earn back significantly more in terms of commission.

She made the following three payments from her Monzo account:

- 17 December 2023 - £1,010
- 19 December 2023 - £1,650
- 21 December 2023 - £2,000

The first was, as I understand it, to her own account with a third-party cryptocurrency exchange. She deposited funds on to the platform which were then converted into cryptocurrency. That cryptocurrency was then transferred into the control of the fraudsters. She made two further payments. These were payments to private individuals, but they appear to have been made to finance peer-to-peer cryptocurrency purchases. In other words, she was purchasing existing cryptocurrency that was owned by someone else. Once that cryptocurrency came into her possession she, as before, transferred it into the control of the fraudsters.

Once she realised she'd fallen victim to a scam, she notified Monzo. It didn't agree to refund her losses. Mrs B wasn't happy with that response and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. Mrs B disagreed with the Investigator's opinion and so the complaint has been passed to me to consider and come to a final decision.

## **Findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. It's common ground that Mrs B authorised these payments and so she is presumed liable at first instance.

Monzo has agreed to follow the provisions of the Lending Standards Board's Contingent Reimbursement Model Code ("CRM Code") – but unfortunately, it doesn't cover these payments. The CRM Code only covers payments made that meet its definition of an authorised push payment (APP) scam. For the purposes of this case, that means it needs to be a payment where *"the Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent."*

The first payment was made to an account at a third-party business that was in Mrs B's name and so she can't be considered to have transferred funds to *"another person"*. The other payments were peer-to-peer cryptocurrency purchases. That meant Mrs B entered into a legitimate agreement to purchase cryptocurrency from a genuine seller who likely had no connection to the scam. The purpose for which that payment was made was legitimate even if she ultimately ended up transferring that cryptocurrency into the control of the fraudsters.

Nonetheless, good industry practice required that Monzo be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to protect their customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

We now know with the benefit of hindsight that Mrs B was falling victim to a scam. The question I have to consider is whether that risk ought to have been apparent to Monzo given the information that was available to it. I've considered that question carefully and I'm not persuaded Monzo could reasonably have been expected to identify the fraud risk here. The first payment was made to a payee with a connection to cryptocurrency and Monzo ought to have been aware of the associated risks. However, the payment wasn't particularly sizeable and I don't think it would be realistic or practical to expect the bank to intervene in connection with payments of that size. Payments 2 and 3 were a little larger and would've appeared less risky from Monzo's perspective because it wouldn't have known that the payments had any connection to cryptocurrency. It would've appeared to be a standard bank transfer to a private individual for what could've been any potential reason.

Overall, while I recognise that Mrs B is the victim of a scam and, if Monzo had intervened, it *might* have been possible for it to be prevented, I'm not persuaded it did anything wrong in processing these payments without asking further questions.

For the sake of completeness, I've also looked at whether Monzo did everything it could in respect of recovering Mrs B's money. On being notified that a scam has taken place, I would expect it to contact the receiving banks (i.e. the banks that operated the accounts controlled by the fraudsters) in an effort to recover any funds that remained in those accounts. I can see that it did that here, but unfortunately there were no funds remaining and so nothing could be recovered.

I don't say any of this to downplay or diminish the fact that Mrs B has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. Nonetheless, my role is to look at the actions and inactions of the bank and I'm satisfied it didn't do anything wrong in processing these payments without querying them further.

**Final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 25 July 2025.

James Kimmitt  
**Ombudsman**