

The complaint

Miss E complains that Monzo Bank Ltd did not reimburse a series of payments she lost to a scam.

What happened

Miss E received a message from a recruiter with a job opportunity on 11 January 2023. This was a fully remote, flexible job where she had to complete a set number of tasks a day in order to receive a salary and commission. She was told she was optimising products, and each task cost money to complete. Some tasks were 'combination tasks' which were more expensive to complete, but could earn her higher levels of commission. In order to fund these, Miss E was told to open a cryptocurrency wallet, which she did.

Miss E initially funded the job from her third-party account provider I will refer to as 'N'. She was able to withdraw some commission, which totalled around £500 in just a few weeks. Following this, Miss E began making payments from her Monzo account from February 2023 onwards. Miss E had to complete more and more expensive combination tasks and had to borrow funds from friends as well as take out loans. When she finally finished the set, she was told she had to pay 15,000 USDT in order to upgrade her account and withdraw the balance. After paying this, she was then told she had to complete a further 10 tasks, which included more expensive combination tasks. When Miss E completed these, she was finally told her she could not withdraw her commission as her credit score was too low.

Following this, Miss E realised she had been the victim of a scam and raised a scam claim with Monzo. Her representatives have confirmed Monzo were able to recover £2,000 of her funds, but they did not agree to reimburse her the remaining. Miss E referred the complaint to our service and our Investigator looked into it. They felt that Monzo should have intervened on the third payment, as the pattern of the payments was unusual by that point. But they did not think an intervention at that time would have prevented further payments from being made. This is because Miss E was not open with Monzo that they payments were part of a job, and instead she confirmed she was trading in cryptocurrency and that she understood how trading worked. So, they did not think an earlier intervention would have meaningfully revealed the scam.

Miss E's representative did not agree with the findings. In summary, they highlighted the account activity was unusual and felt Monzo should have asked more probing questions and they felt it was more likely the scam would have been uncovered if they did.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to

take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Miss E authorised the payments in question as she believed they were part of a legitimate job opportunity. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Monzo was obliged to follow Miss E's instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Monzo did enough to try to keep Miss E's account safe.

I haven't listed out the payments within this decision, as there were a significant number of them. The majority of these were not particularly high value, and most were between £500 and £2,000. But the pattern of payments was high, with multiple payments in the same day. It should be noted that these were mostly peer-to-peer cryptocurrency payments, meaning Miss E was transferring funds to different individuals. It therefore would have been more difficult for Monzo to see a link between the payees and see the overall pattern of the scam payments. However, I can see on 4 February 2023 Miss E made three payments of £1,000, £1,000 and £2,000 to the same payee. And on 30 March, Miss made payments of £1,000, £1,000, £2,000 and £1,000 to the same payee in the space of just 25 minutes. I think Monzo could reasonably have seen the pattern of these payments as unusual and a sign that Miss E could be at risk of financial harm.

Monzo provided low friction scam warnings on a large number of the payments, but these were general warnings and not tailored to Miss E's circumstances. I can see that Miss E's Monzo account was frozen on 12 April and she was referred to the in-app chat to speak with the fraud team. In this chat Monzo asked Miss E what the payments were for and specifically asked about the payments made on 30 March. In this chat, Miss E she confirmed she was making payments to cryptocurrency to trade, that the payments were going to her own cryptocurrency wallet, that she was well educated in trading and was in control of the funds.

As a result of this, Monzo gave Miss E detailed cryptocurrency investment scam warnings, which is what I would have expected them to do in the circumstances. Miss E told Monzo that she was trading with her funds, when this was not the case. The funds at that time were being used to upgrade her status from a Bronze member to a Diamond member of the job platform, so she could withdraw her earnings. As she gave no indication that the funds were in relation to a job, I think it is reasonable that Monzo did not provide her with a relevant warning about job scams. And I think the warnings they did give about cryptocurrency investment scams were reasonable and proportionate in the circumstances.

I therefore think it is unlikely that any earlier intervention would have gone differently. Looking at the chat between Miss E and the scammer, it is clear that she was looking for ways to ensure her funds make it to her cryptocurrency wallet and then to the 'job' platform. This includes making lower value payments, so they are less likely to be picked up by the

fraud system.

It should also be noted that Miss E had a conversation with N, her other account provider, on 28 January in relation to the first payments she made to the job scam. In this conversation, Miss E was told she was '100% the victim of a scam' and that she should not make further payments to the platform. Despite this, she went on to make the payments from her Monzo account. On balance, this further confirms my thoughts that a better intervention from Monzo is unlikely to have prevented Miss E from making further payments to the scam.

Considering everything set out above, I do not think Monzo need to reimburse Miss E in the circumstance. I understand that this will be very disappointing for Miss E, and I recognise that she has been the victim of a cruel and manipulative scam. But I do not consider that it would be fair to hold Monzo responsible for her loss, so I won't be asking it to refund any of that loss to her.

My final decision

I do not uphold Miss E's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 10 April 2025.

Rebecca Norris
Ombudsman