

## The complaint

Mr T has complained that Monzo Bank Limited (“Monzo”) failed to protect him from falling victim to a “safe account” scam and hasn’t refunded the money he lost as part of the scam.

## 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 T has used a professional representative to refer his complaint to this service. For the purposes of my decision, I’ll refer directly to Mr T, but I’d like to reassure Mr T and his representative that I’ve considered everything both parties have said.

Mr T has explained that in December 2023 he was waiting for a delivery when he received a text message instructing him to confirm the delivery by clicking on a link. Given the timing of the message Mr T thought it was genuine, so he clicked the link and proceeded to enter the required information, including his bank details. Shortly after, he was contacted by someone (“the scammer”) claiming to be from a bank where he also holds an account, who told him that his account was under threat and that multiple transactions had been attempted. When he checked his account, he saw transactions matching those the caller had described. The caller then told Mr T to report the matter to Action Fraud and assured him they would be in touch.

The following day the scammer contacted Mr T again. This time, they claimed his device was at risk of a malware attack and instructed him to install remote access software so the authorities could remove the threat. They also convinced him to open an account with another bank to transfer his money somewhere safe. By this point Mr T has explained that he was feeling extremely panicked, and he was transferred to another individual who claimed to be from the police. This person told him he needed to move his money immediately or risk losing it all, which reinforced the story given by the first scammer.

Mr T has described how the significant pressure from various parties persuaded him to transfer funds into the new account, which was controlled by the scammer. He also says they gained access to Mr T’s Monzo account and made various payments. Mr T says that throughout this time he was unaware of what was really happening and believed he was following legitimate instructions to protect his money as the scammer made him think he was at risk of identity fraud. Mr T has also explained that he believed the police were tracking the fraudsters and that his cooperation would help catch them.

The payments from Mr T’s Monzo account were made using Mr T’s debit card to two different money transfer services. The transactions relevant to the scam were as follows:

	<b>Date</b>	<b>Amount</b>
1	20/12/2023	£3,053.50
2	20/12/2023	£901.99
3	21/12/2023	£901.99

4	21/12/2023	£901.99
	<b>Total</b>	<b>£5,759.47</b>

Mr T has explained that he found the scam convincing because the scammers knew details about his genuine transactions, directed him to install remote access software, and impersonated both banking staff and the police. He had never heard of this type of scam before and believed he was following legitimate fraud prevention steps. He also said that the scenario coupled with his pre-existing health issues had made him feel overwhelmed throughout the experience, and he has continued to struggle with the effects afterwards.

Mr T complained to Monzo on the basis that the payments made during the scam were clearly out of character, and so Monzo ought to have realised this and stopped them. In addition he says he's never made payments to the merchants seen within the scam, so the fact that multiple unusual transactions were processed within a couple of days was not normal activity for his account. Given these factors Mr T believes Monzo should've identified the unusual spending pattern and taken action to prevent the fraudulent transactions. Monzo didn't respond to Mr T'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 although he thought Monzo ought to have intervened before Mr T made payment four, he didn't think an intervention would've uncovered the scam, so he didn't think Mr T had lost out as a result of Monzo's inaction. He also noted that another institution that Mr T holds an account with did intervene during this scam, by asking questions and showing a warning, but Mr T was being coached on how to answer its questions and chose to proceed past the warning. So he thought it was likely the same would've happened if Monzo had intervened.

As Mr T 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'm sorry to disappoint Mr T but having considered everything I'm afraid I'm not upholding his complaint, broadly for the same reasons as our investigator, which I've set out 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 T authorised these payments from leaving his account. It's accepted by all parties that Mr T 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 T'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.

Monzo has explained extensively in its response to this service how and why it considers Mr T authorised the payments in question. I accept that Mr T authorised the payments, and as such, I haven't considered this any further. But the complaint Mr T has made isn't in relation to whether he authorised the payments. The issue at hand remains whether Monzo should have done more to intervene before allowing the payments to be made – whether authorised or not – under its duty to protect its customers from financial harm.

The starting point in a case like this is to establish whether the activity seen in the scam was out-of-character compared to what Monzo knew about Mr T's normal account usage. So I've carefully reviewed Mr T's account transactions in the six months prior to the scam. Having done so, it's fair to say that all four of the transactions were unusual. It appears that Mr T doesn't use his Monzo account for day-to-day expenditure, but as an account mainly when travelling overseas. He sporadically credits it with payments ranging between a few hundred to a thousand pounds, and over the subsequent weeks he generally makes fairly small debit card transactions in the likes of bars, restaurants, and shops abroad.

With this in mind I think Monzo ought to have been on notice that something wasn't in line with Mr T's regular spending when he made the first transaction as part of the scam. Firstly, he credited the account with £4,000 which was unusual, and he immediately made two payments for £3,053 and £901.99 which almost completely depleted the account balance. He then credited his account with £3,000 the next day and made two further payments of £901.99 on the same day.

Although the pattern of transactions was somewhat unusual, Monzo needs to strike a balance between protecting its customers from financial harm and executing their payment instructions promptly and without undue delay. With this in mind I think it was reasonable for Monzo to allow the first three scam transactions to take place without any friction. Whilst I understand the transactions were unusual, they were made to legitimate merchants, although I do understand with hindsight that the merchants were not who Mr T intended to pay. Additionally, I haven't concluded that the transactions were of sufficiently high value, individually or cumulatively, that an intervention was warranted.

By the time Mr T made payment four he'd paid over £5,700 over four payments in the space of two days. With this in mind I'd have expected Monzo to do more to satisfy itself that Mr T wasn't at risk of financial harm, by giving him a scam warning broadly covering the key features of well-known scams. Monzo says that other than verifying the payment was authorised by Mr T using MasterCard's 3D Secure system, it didn't ask further questions or give any warnings before it was made. As such, I don't think it did enough to prevent the scam at the point it ought to have, so I think Monzo is responsible for the resulting loss of payment four.

But I must also now turn to the action I think Monzo ought to have taken, and whether it's likely that would've uncovered the scam, and stopped it from taking place.

Having considered this point, although I believe Monzo failed in its duty to protect Mr T from the scam at payment four, I don't think that changed things here. As our investigator explained, Mr T has also raised a complaint about another bank's failure to intervene as part of the same scam, so it's relevant to consider the information within that complaint to build an overall picture of what happened, or might've happened, if Monzo had taken a different course of action.

I note that when the other bank intervened it asked Mr T to speak to one of its agents using its in-app chat facility. At that point Mr T told it he was making the payments to pay a friend for a car he was purchasing from them. After some further conversation, including scam warnings, the answers Mr T gave satisfied that bank that the payment was genuine, and it was released.

I understand Mr T was in a very difficult and high-pressure situation and it's evident he was coached on how to answer the bank's questions by the scammer. This is a tactic seen in many scams. So having considered this information, even if Monzo had intervened at the

point I think it ought to have, I think Mr T would likely have referred any questions Monzo asked to the scammer for guidance on how to answer them without raising concerns.

In the other complaint Mr T confirmed that he wasn't being assisted to answer its questions, that he wasn't being guided through the process and wasn't told to ignore any warnings – despite being actively guided by the scammer on how to answer the questions. As such, I think Mr T would've also followed the guidance of the scammer and the payment would've been made – no matter how robustly Monzo had questioned him or what warnings it might've given. I do accept that I'm not able to conclusively say this is how Mr T would've acted in a hypothetical scenario such as this one, but based on the evidence I've seen, I'm satisfied it's more likely than not to have been the case.

I've seen Mr T's comments about his health condition and how that left him unable to regulate his emotions, and possibly contributed to the decisions he made whilst the scam was taking place. I truly empathise with Mr T's comments in this respect, and I appreciate how he became overwhelmed by the bombardment of information and pressure from the scammer. But Monzo has provided copies of its records and I'm satisfied it wasn't aware of the health condition Mr T has now mentioned. Whilst I'm not suggesting that what Mr T says isn't true, it would only be fair for me to conclude that Monzo needed to act differently or provide additional support to Mr T in respect of his health condition if it knew about it. But as that's not the case, I can't hold Monzo to that level of scrutiny.

It's certainly evident from the information Mr T has provided that he was targeted and manipulated by the scammers who used multiple layers of fraud to gain his trust and access to several of his bank accounts. The access to his personal banking details and impersonation of authority figures clearly contributed to the pressure he felt to act quickly, so I understand why Mr T was convinced by the scam, and I'm sorry for that. But in order to direct Monzo to put things right I'd firstly need to believe the way it acted – or didn't act – is what enabled the scam to happen. And secondly, that if it had done something differently, the scam would've been prevented. But for the reasons I've explained I don't think Monzo could've prevented the scam from taking place, so I don't hold it responsible for what Mr T unfortunately lost as a result.

### Recovery of the funds

As the payments were made using Mr T's debit card it's relevant for me to consider the chargeback process.

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 retailer'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 successful chargebacks it'd need to provide evidence that the merchants didn't provide the goods or services that Mr T paid for. So although I understand Mr T's debit card was used to transfer money to the scammer using money remittance services, there's no evidence the merchants didn't fulfil their obligation to provide the money transfers that Mr T paid for. So the dispute doesn't lie between Mr T and the merchants, but

instead Mr T and the scammer. As there wasn't a reasonable prospect of chargeback claims being successful, I don't think that was a route that Monzo ought to have pursued.

I'm very sorry that Mr T has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't uphold this complaint.

### **My final decision**

I don't uphold Mr T's complaint against Monzo Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 21 March 2025.

Sam Wade  
**Ombudsman**