

The complaint

Mr A complains Monzo Bank Ltd didn't do enough to protect him when he fell victim to a job scam.

What happened

Mr A has an account with Monzo and has been a customer for around two years. He has accounts elsewhere including accounts with businesses who I'll refer to as "R" and "W" throughout the rest of this decision. He also has more than one cryptocurrency wallet which he set up in the course of the scam at the scammer's suggestion.

Mr A received a message from someone claiming to be from a well-known recruitment company in September 2023 asking him if he'd be interested in a job that would allow him to earn additional income. He says he was looking for a job at the time, so he expressed an interest. He subsequently received a message from someone explaining what the job involved. He initially said he wasn't interested as the job sounded too good to be true but later on changed his mind. The job involved completing a series of tasks in order to earn money and commission. Mr A says he was shown the platform on which he needed to complete his tasks and what to do if he needed to top up his account in order to accept a task. He says this involved buying cryptocurrency and topping up his account with the cryptocurrency he'd bought. Mr A was, in fact, speaking to a scammer.

Mr A says that between 10 September and 19 October 2023 he sent nineteen payments totalling just over £16,800 from his account with R to cryptocurrency and then onto the platform. In addition, he says that between 16 September and 9 October 2023 he sent eighteen payments totalling just under £43,000 from his account with Monzo to cryptocurrency and then onto the platform. And finally, he says that between 19 and 26 October 2023 he sent nine payments totalling just over £30,000 from his account with W to cryptocurrency and then onto the platform.

Mr A says he borrowed money from friends and family and used his savings in order to fund the payments I've just mentioned – approximately £90,000's worth. His payments were a mixture of card payments, faster payments and open banking payments. Ultimately he realised he'd been scammed when he wasn't able to withdraw his earnings and commission. He contacted Monzo and the other businesses involved to say that he'd been scammed and to ask for a refund at that point. And in December 2023 he complained with the help of a representative that they hadn't done enough to protect him when he fell victim to a job scam.

Monzo looked into Mr A's claim and said that it hadn't provided him any warnings as he'd made his payments using open banking and that me to me payments weren't payments it needed to refund. Mr A complained about this and the response of the other businesses involved. Ultimately he was unhappy with the responses he received and so complained to our service.

One of our investigators looked into Mr A's complaints, including his complaint about Monzo.

Having done so, they recommended that Monzo refund 50% of the payments he'd made from his £4,000 payment on 16 September 2023 onwards together with 8% simple interest from the date of payment to the date of settlement. In addition, they recommended Monzo pay £100 in compensation. Our investigator upheld Mr A's other complaints too.

Mr A's representatives accepted our investigator's recommendations. Monzo didn't. Monzo said that it shouldn't be held liable as the payments had gone to an account in Mr H's own name (in other words, was a so called "me to me" payment) meaning that the loss didn't occur on its platform, that the payments were legitimate ones and that it isn't fair to hold Monzo liable in a case like this. Monzo asked for Mr A's complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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 this case, I'm satisfied that Mr A has fallen victim to a job scam. Having read the chat history with the scammer, I can see that he initially said that he wasn't interested as the job sounded too good to be true and that it sounded dodgy particularly as he didn't have any information about the company. He also said that if the job required him to deposit any money that wasn't something he was comfortable with as he'd been scared in the past. In other words, he was initially suspicious, and rightly so. I can, however, see that he changed his mind and signed up. He did so, it seems, because the scammer suggested he give it a chance for five days and if he decided not to continue then he could simply receive his earnings and close his account. Once he managed to get his card unblocked – which seems to be why his first payment to cryptocurrency was declined – everything appeared to go smoothly and when he made what appears to be a profit he seemed happy to continue. His problems began on 16 September 2023 when he had one more task to complete and had been told he'd need to pay over £1,500 in order to keep going. By that stage, I'm satisfied that Mr A had asked members of his family to lend him money and this extra money coming into his account / unusual movements resulted in his account with R getting blocked.

Our investigator recommended that liability be shared between Mr A and Monzo given that there were a number of red flags here – some of which I've mentioned above. His representatives have accepted our investigator's recommendation that liability be shared, which I don't think was an unreasonable recommendation. The main issue for me to decide, therefore, is whether or not Monzo is liable for any of the losses and, in particular, whether or not I agree with any of the issues Monzo raised in response to our investigator's view.

In this case, I'm satisfied that the first payment that Mr A made from his account with Monzo was a payment for £4,000 on 16 September 2023. It seems he decided to use his account with Monzo as his account with R had been blocked. I agree with our investigator that this payment should have been of concern to Monzo. Monzo has accepted that it didn't provide any warnings at this stage. I agree with our investigator that it should have done. In the circumstances, I agree with our investigator that Monzo should have done more in this case – it should have provided Mr A with a better automated warning and, in particular, once Monzo had identified that he was at risk of a job scam, it should have provided Mr A with a warning that addressed the key elements of such a scam. Monzo didn't do so – nor did any of the other businesses involved. I can see that Monzo stopped later payments, but it didn't give him a warning relating to job scam. It gave him a warning instead about safe account scams.

In this case, our investigator thought that the scam would have been uncovered had Monzo done more, and that Mr A would have realised that this was a scam and not continued with

the payments had it done so. I agree with our investigator. Having looked at what each of the businesses involved did, I'm satisfied that none of them identified the fact that Mr A was at risk to a job scam or provided him with a warning explaining the key features of such scams. Had they done so, given the doubts that Mr A evidently had, I'm satisfied that this scam would have been uncovered and that Mr A would have stopped making further payments. In the circumstances, I agree that it's fair to hold Monzo liable for the losses that it missed an opportunity to prevent.

Putting things right

For the reasons I've given, I agree that Monzo missed an opportunity to prevent further loss here, so it's fair to hold Monzo liable as recommended.

My final decision

My final decision is that I'm upholding this complaint and require Monzo Bank Ltd to refund 50% of Mr A's losses from the £4,000 payment he made on 16 September 2023 onwards together with 8% simple interest from the date of payment to the date of settlement. In addition, I'm going to require Monzo Bank Ltd to pay £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 February 2025.

Nicolas Atkinson
Ombudsman