

The complaint

Mr A complains that Monzo Bank Ltd ('Monzo') won't refund the money he lost to a job scam.

What happened

The events leading up to this complaint are known to both parties. I won't repeat all the details here.

In summary, Mr A says that in January 2024 he was contacted by an individual (a scammer) about a remote job opportunity with a company (I'll call 'D'). He says that the contact wasn't unexpected as he'd signed up to several recruitment agencies previously – and that he saw this as an opportunity to alleviate financial stress.

For the job itself, it was explained his role as a 'data promotion agent' at D would involve promoting products for various companies to increase exposure. And that he'd earn a salary and commission for completing sets of 'tasks'. To make the scam more convincing he was given access to a professional-looking platform, taken through a KYC process, given some training, added to a group chat for support, and was able to make some withdrawals.

As part of the process, he was required to deposit his own money in the 'work' platform and complete the assigned 'tasks'. These deposits were paid in cryptocurrency which he bought by sending money from Monzo to buy the cryptocurrency either through accounts he held with legitimate crypto-exchanges or by using sellers operating in the peer-to-peer market (P2P). It was the cryptocurrency that was lost to the scam. Other payments were also made to the scam from other accounts Mr A held with other firms (I'll call 'R' and 'L').

Things appeared to be going well at first as his 'earnings' seemed to grow. But he realised he'd been scammed when, having paid what he was led to believe were the fees required, he was repeatedly asked to pay more. When he refused, his account was locked. By that time, however, over £70,000 had been lost to the scam between February and April 2024. A significant part of the money used to fund the scam was borrowed from family and friends.

A complaint was made to Monzo and referred to our Service. Our Investigator considered it and didn't uphold it. In brief, she noted Monzo had intervened to question Mr A about some payments and he wasn't upfront about what he was really doing. She thought it was unlikely Monzo would have been able to identify the scam Mr A was falling victim to and she didn't think it'd be fair and reasonable to hold it liable for Mr A's losses in the circumstances.

As the matter couldn't be resolved informally, 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.

Having done so, I've reached the same conclusions as the Investigator and for similar reasons. To note, some payments sent from Monzo to R, that may have been made as

part of the scam, may have been missed from the payment list Mr A submitted with his initial complaint. That said, I don't think it's appropriate to delay my decision. If payments were missed and Mr A wants them considered, he'll need to complain to Monzo directly about them in the first place. But I'd suggest he takes into account what I'll go on to explain below before deciding if that's something he wishes to pursue.

Authorisation

It's not in dispute Mr A was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute that he authorised the payments from his Monzo account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr A is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are, however, some situations where I consider that a firm (like Monzo) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

In this case, I agree there was enough about some of Mr A's payments for Monzo to have been concerned about a heightened risk of financial harm from fraud – considering, for example, some of their values and the account activity. I agree it should have stepped in and probably at various points during the scam journey. But I'm not going to go into detail as to when and why I think Monzo ought to have done more because I'm not persuaded that, if it had taken proportionate steps or intervened more often than it did, this would have prevented Mr A's losses such that I can reasonably hold Monzo liable for them.

I say this for the following reasons:

- It's clear from Mr A own's submissions to our Service that he was *"coached by the scammer to lie to bank staff"* for his payments to go through without issue. He's told us the scammer manipulated him into making payments and warned him not to disclose the true purpose of the transactions or it would result in him losing his funds. He's said he felt pressured to act quickly without seeking independent advice. And that he was warned by the scammer against disclosing the involvement of a third party.
- The messages Mr A exchanged with the scammer show he was prepared to follow their instructions and take steps to avoid detection. On 31 January 2024, for example, Mr A told the scammer *"R won't let me transfer anymore...Do you have another way I can pay..."*. On 1 February 2024, he told the scammer *"Should I use simplex rather than p2p that would be better and won't trigger the bank...I'll do it in small amounts"*. On 2 February 2024, in relation to which payment purpose to select when making transfers, he told the scammer *"Transfer the money as normal? As a family and friend if it [the bank] asks"*. And when the scammer said *"I will guide you"*, Mr A responded *"Ok thank you"*. On 4 February 2024, Mr A asked the scammer *"If I send the money to you can you buy the crypto and put it in my account? Bank may stop it again"*. On 21 February 2024, Mr A said *"I'm trying to get R to stop blocking it...they don't allow the payment to go through without further questions..."*.
- As referred to by the Investigator, Monzo intervened on a number of the disputed payments to question Mr A more about the surrounding circumstances. At no time, did Mr A share any information about what he was really doing to enable it to provide him with a warning relevant to his situation. There's evidence in the scam chat that Mr A

was prepared to mislead Monzo about the 'payment purpose'. Each time he was asked to provide one in the payment flow he selected 'Paying family and friends'. I've also seen that when R intervened and asked for a 'payment purpose' Mr A went on to select 'Paying family or friend' for several of his payments. We now know this wasn't true and I can't overlook that, for the payments from R, the option 'as part of a job opportunity' (matching his situation) was available for Mr A to choose from.

- I note that when Monzo intervened, on 2 February 2024, and asked Mr A for more information on the source of funds and an attempted payment for £4,500 he messaged it to say he was sending money to R as *"I have my wedding coming up and I wanted to just transfer to my R account because they do have good cash back offers"*.
- The account was again frozen in early March 2024 for a payment Mr A was making directly to a crypto-exchange. He was asked for a 'payment purpose'. He replied he was buying cryptocurrency and that he'd been involved with cryptocurrency since 2018. He told Monzo no-one was helping him to manage his investment or advising him and no-one had promised him guaranteed returns. He said he'd been investing for a long time across different exchanges, carried out his own research, and no-one was prompting him to do anything. He was warned against being asked to mislead his bank about the reasons for payments. Nonetheless, he went on to explain he was buying stablecoins that he'd store in his trust wallet and that he used various platforms. He was asked to provide evidence that he'd been investing for some time – and evidence was provided showing he'd been involved with cryptocurrency for some years.
- Further calls took place between Mr A and Monzo's fraud team on 5 March and 2 April 2024. In the March call, he was again warned about scammers coaching customers to provide misleading information to their bank and being tricked into thinking they're dealing with a genuine 'adviser'. Mr A was asked if he'd been asked to provide any false information or a different version of the truth. He replied *"no"*. There was then a general discussion about cryptocurrency and traditional investments during which Mr A said he was buying stablecoins; that he carried out his own research by, for example, reading *"white papers"*. In my view, Mr A talked confidently about his 'investments' and 'strategies'. He reassured Monzo there was no third-party involved. I can understand why Monzo was satisfied with the responses it was given. There was, in any event, again nothing to suggest Mr A was purchasing cryptocurrency to fund a job online. And while the April call was more focused on the risks associated with P2P there was again nothing to suggest Mr A was making payments in connection with a job opportunity.

I've thought carefully about Mr A's comments that, if Monzo had requested evidence of his cryptocurrency platforms, then this would have revealed the scam as he'd have been unable to show a significant portfolio. But I'm satisfied Monzo took proportionate steps in trying to establish a possible scam risk when it intervened and that it wasn't unreasonable for it to have processed Mr A's payment instructions based on the information it had.

I'm not persuaded by the suggestion that it ought to have picked up on significant signs of distress during its interactions. And, even if I were to agree Monzo ought to have done more, I'm not persuaded this would necessarily have led to the scam being exposed given the extent to which Mr A was under the scammer's 'spell' and prepared to mislead it (and others) about what he was involved in. Nor can I rule out the possibility of Mr A finding another way to make payments, especially given the various firms used to make them (new accounts were opened in the process) and the content of his messages with the scammer.

I'm again mindful that Mr A was the victim of a cruel scam. I understand the reasons he's given for the actions he took. I've considered his comments that he was vulnerable and

manipulated into thinking he had no option but to follow the scammer's instructions. I also realise the whole experience has affected him deeply. But I don't think it'd be fair to hold Monzo liable for his losses in circumstances where it's unlikely it could have prevented them. For completeness, I note what Mr A has said on the application of the CRM Code. But the Code doesn't apply to payments sent between a customer's own accounts, or used for the genuine purchase of cryptocurrency, or to payments sent in cryptocurrency.

Recovery

In terms of recovery, there was little Monzo could have done. For the transfers to Mr A's own accounts with legitimate crypto-exchanges, the funds had been moved on from there by the time the scam was reported or they'd have otherwise been available for Mr A to access. And for the payments used to purchase cryptocurrency from individuals operating in the P2P market, there wouldn't have been a basis for Monzo to have attempted recovery as there's nothing to suggest the sellers were part of the scam itself.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 July 2025.

Thomas Cardia

Ombudsman