

The complaint

Miss V complains that Monzo Bank Ltd didn't do enough to protect her from the financial harm caused by a job scam.

Miss V has been represented by a claims management company throughout her complaint. I have referred to them as Miss V's representatives.

What happened

On 1 December 2023, Miss V received a message on WhatsApp from what she thought was a recruitment firm. She had circulated her C.V. to job websites and so she didn't think at the time that the message received was unsolicited. She was asked if she was interested in a data generation user role with a well-known marketing company. She said she was and so the following day another person contacted her, again through WhatsApp, claiming to be from that company. She offered her the job, that entailed her reviewing apps. The premise being that if she completed 40 reviews in a set, she would receive commission for this. She was told that by doing the reviews, the company she worked for would optimise its presence online and increase its sales.

In reality though, Miss V was in contact with scammers. After doing a few sets of reviews, she tried to withdraw her commission, only to be told that she had a 'negative balance' and she had to clear it before she received a withdrawal of her earnings. Miss V did this on 4 December 2023 and received a modest withdrawal.

On 6 December 2023, Miss V again carried out tasks for commission and it was on this date that things escalated. She made several payments for increasingly large amounts, and this resulted in her making a total of 11 payments overall to the scammers for £5,210.71. Miss V said she made several payments in a row, as she was being told to clear her negative balance. She said she realised it was probably a scam but thought there was a chance she could recover all of the money she had already handed over.

When Miss V made her final payment, the largest of them all, for £2,557.82, and was then told she had to make another larger payment. It was at this stage that she realised that she had been the victim of a scam. Miss V reported the scam to Monzo the following day and explained to it what had happened.

Monzo said it was unable to provide a refund because the payments from Miss V's Monzo account weren't the scam payments. It said Miss V transferred the payments to her own cryptocurrency account. It said it had executed the payments in accordance with Miss V's instructions. Miss V was not happy with this and through her representatives, complained to our service.

Our investigator thought Miss V's complaint should be partially upheld. She didn't think payments 1 to 10 were unusual or suspicious in appearance to Monzo, but she felt, when Miss V made her eleventh payment on 6 December 2023 for £2,557.82, Monzo ought to have contacted her about it and discussed the payment. She said if it had done this, it would have known from talking to Miss V that she was a victim of a scam.

The investigator thought Monzo should refund the money Miss V had lost when she made the eleventh payment. Our investigator explained reasons why she felt the settlement should be reduced by 50% for contributory negligence.

Miss V indicated through her representatives that she would be happy with what the investigator had proposed, but Monzo maintained it wasn't liable to refund any money because it was not liable for losses that occurred outside of its platform.

Monzo added that its overarching objective was to minimise disruption to legitimate payment journeys. It said in addition, that just because the payment was to a cryptocurrency exchange doesn't mean it was a scam. It said it was out of scope for it to reimburse Miss V. It said the exit point of the fraudulent funds was not with it.

As the parties are still not in agreement, Miss V's complaint has 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.

I first of all looked at the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code), in relation to Miss V's complaint, to see whether it applied here. Monzo hasn't signed up to the code but has agreed to follow it. The CRM Code doesn't apply in this case though as the rules here only apply to payments made to another person and Miss V's funds went to an account in her own name. So, with this being the case, I haven't looked into this any further.

Moving on, I'm satisfied Miss V authorised the relevant payments. Monzo would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Miss V is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. However, this isn't the end of the story. Good industry practice was that Monzo ought to have been on the look-out for transactions that were unusual or uncharacteristic to the extent that they might indicate a fraud risk. On spotting such a payment instruction, I would expect Monzo to intervene in a manner proportionate to the risk identified.

Should Monzo have recognised Miss V was at risk of financial harm?

Monzo said that the debit card payments Miss V made went to her own cryptocurrency trading account, so it had no suspicions of fraudulent activity. But certain scams involving cryptocurrency often involve money passing through more than one account and this sort of scam was not uncommon at the time.

The Financial Conduct Authority and Action Fraud published warnings about cryptocurrency scams from 2018 and, by the time this scam occurred in 2023, it was widely understood that there were associated risks in relation to payments made to cryptocurrency exchanges. Monzo has described to our service mechanisms that it had in place to detect and prevent this type of fraud, so I think, based on all that I have said were its obligations, and what Monzo said it was looking to do, that it ought to have been on the lookout for this scam occurring.

With this in mind, I've looked at Miss V's account statements in the 12 months leading up to the scam and looked at the identified payments involved to see whether there was a point in which Monzo ought to have intervened.

Miss V had several accounts held with Monzo, including regular pots, savings pots and her current account. It is from the latter that she authorised payments to go to her cryptocurrency account, that then went on to the scammer.

I can see during the months leading up to the scam payments being made, Miss V made many transfers between her accounts and also between an account also in her name, with another bank. Taking all of these transfers that she made between her own accounts to one side, her payments to third parties were mostly of modest amounts, that said I can see she did make payments to Cash App for £805.95, £796.75 and £792.78 in May 2023, along with a payment to Amex on 28 November 2023 for £1,070.00. It was not unusual or uncommon for Miss V to make payments from her Monzo current account for these sorts of amounts.

So, when I see the payments Miss V made from 4 December 2023 to 6 December 2023, I can see the first 10 payments for between £30.00 and £1,388.78 would reasonably, on balance, not have seemed sufficiently unusual to have caused Monzo enough concerns such as to have intervened here. There were quite a lot of payments within a short amount of time, but ultimately they added up to less than £2,700. They were identifiably to cryptoproducers. But there's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds). So, I don't think I can fairly say there reasonably ought to have been enough concern on Monzo's part at this stage, yet, that it should have intervened.

However, Miss V then made her largest payment (last), to the same cryptocurrency platform, for £2,557.82. This was a lot larger than the other payments made previously, and as such was in my view sufficient to say Monzo ought to have been on alert. The payments Miss V made that day, were increasing steadily in value and all took place in fairly rapid succession within hours of each other. I think at this point Monzo should have intervened, especially in light of what I have already said about what it ought to have known at that time about cryptocurrency payments. I think it ought to have contacted Miss V and asked her some questions around the purpose of this payment due to the amount, and what I have already described was her account activity up to that point.

What kind of warning should Monzo have provided?

Monzo didn't intervene on this eleventh payment and didn't think it should have done. But, I think by the eleventh payment, for the reasons I have given, Monzo ought to have tailored its warning with human intervention. It could have done this by calling Miss V.

Monzo should have asked a series of questions about the payment. For example, it could have asked why Miss V was sending the payment, details about the job, how she had contacted them, whether she had any paperwork about this and whether she'd been told to make an onwards payment from the cryptocurrency exchange. I think, based on all I have said, about Monzo's obligations, and how the account had been run up to this point, this constituted a proportionate response from it.

If Monzo had provided a warning of the type described, would this have prevented the loss Miss V suffered?

I have read messages between Miss V and the scammer on WhatsApp and can see that she was clearly being directed by them about what to do. That being said I haven't seen on this

occasion any evidence that she wouldn't do anything but tell the bank what was happening. I think by the eleventh payment Miss V was starting to have concerns herself, and said she was just trying to recoup her other payments back. I have read just how much distress Miss V was in, when she thought she needed to pay more in order to receive her money back and commission. I think, when I read this, that she would have been forthcoming with Monzo about what was happening, which would have been enough information for Monzo to have identified this was a scam.

I think that if Monzo had provided a tailored, robust, clear warning at this point, it's likely Miss V would have chosen not to go ahead with the final payment. After all, this final payment, on its own, was for almost the same amount as the first ten payments put together. And if Monzo had confirmed to Miss V its knowledge of scams like this (that it ought to have been well aware of), I think it's unlikely Miss V would have wanted to still proceed with this payment. Because of this, I think Monzo missed an opportunity to intervene in circumstances which most likely would have prevented some of Miss V's losses (her last payment).

Is it reasonable for Monzo to be held responsible for Miss V's losses?

I have taken into account that Miss V remained in control of her money after making the payments from Monzo. It wasn't lost until she took further steps from her crypto account(s). But Monzo should still have recognised that Miss V was at risk of financial harm from fraud, made further enquiries about the final payment and ultimately prevented Miss V's loss from that point. I think Monzo can fairly be held responsible for Miss V's loss in such circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved, Miss V has chosen not to complain about any other firm and I cannot compel her to do so. And, I do not think it would be fair to reduce Miss V's compensation because she only complained about one firm, as I consider that Monzo should have prevented the loss.

Should Miss V bear any responsibility for her loss?

There's a general principle that consumers must take responsibility for their decisions and conduct suitable due diligence, and I've thought about whether Miss V should bear any responsibility for the loss of the £2,557.82 I've said Monzo should have prevented. In doing so, I've considered what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

In this case, I don't think it's unfair to say Miss V didn't do enough to check the job was genuine and she consequently wasn't as careful with her payments and money as she reasonably ought to have been. Miss V was approached on WhatsApp by a company she had not contacted or made an application with. She was offered a job in quick time, and asked to start work within days. In addition, she was not provided with any paperwork or contract before she was asked to begin carrying out the job. All of this ought to have given Miss V some concerns and prompted her to carry out her own checks about not just the people that had contacted her, but what they were asking her to do.

So, even though I accept this was a sophisticated scam and that Miss V had trusted the scammer along with the reasons her representatives have given as to what she felt was the validity of the job offer at the time, I think she went ahead with the job and scam payments despite some very clear warning signs that things were not quite right. Consequently, I think the settlement should be reduced by 50% for contributory negligence.

Recovery / Chargeback

Briefly, I will mention recovery, as this is something Monzo in certain circumstances would have been able to look at once it had been notified about the scam from Miss V. Miss V made debit card payments to another account in her name.

Miss V didn't make the payments to the scammer, instead she made them initially, to a legitimate cryptocurrency exchange. So Monzo were only able to make recovery, or chargeback claims against the cryptocurrency exchange, which wouldn't have in any likelihood succeeded given, as it had provided its services as described. So, there isn't anything further to consider in this regard.

Interest

Finally, I consider 8% interest per year fairly reflects the fact Miss V has been deprived from her proportion of the redress. So Monzo should pay interest on the amount payable to Miss V from the date of the eleventh payment to the date of settlement.

Putting things right

Monzo has made a mistake here as it should have intervened when Miss V attempted to make the eleventh and final payment, in this scam that she made on 6 December 2023. But Miss V also should have taken responsibility for her actions too, so the amount Monzo should pay should be reduced by 50%.

Monzo should do the following to put things right:

- refund £1,278.91 (this being half of the total of the eleventh payment).
- Pay 8% simple interest*, per year, on the amount of £1,278.91 from 6 December 2023 to the date of settlement.

*If Monzo Bank Ltd deducts tax in relation to the interest element of this award it should provide Miss V with the appropriate tax deduction certificate.

My final decision

I uphold Miss V's complaint and require Monzo Bank Ltd to put things right as I have described above.

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

Mark Richardson
Ombudsman