

The complaint

Mr V complains about Monzo Bank Ltd.

He says that Monzo didn't do enough to protect him when he fell victim to a scam and would like it to refund him the money he has lost.

What happened

Mr V received a message from an individual claiming to be from a recruitment company – but unfortunately, they were a scammer.

Mr V took up the supposed job opportunity, where he was required to purchase 'tasks' – and would then earn commission. He was provided with a portal from which he would complete the tasks.

However, Mr V's portal balance kept going 'negative' and he was required to purchase more and more tasks in order not to lose his earnings. He was then told that after he made a final payment, he would be able to withdraw his funds, but this was not the case. Instead, he was told he would need to pay even more money for tax purposes, and he realised he had been scammed.

By this point Mr V had made the following payments as part of the scam.

Payment	Date	Payment type	Amount
1	07/01/2023	Card payment	£9.96
2	11/01/2023	Card payment	£32.82
3	12/01/2023	Card payment	£88.68
4	12/01/2023	Card payment	£185.96
5	12/01/2023	Card payment	£9.47
6	13/01/2023	Card payment	£906.56
7	13/01/2023	Card payment	£1,943.74
8	14/01/2023	Card payment	£152.15
9	14/01/2023	Faster payment	£4,000
10	16/01/2023	Card payment	£3,453.12
11	16/01/2023	Card payment	£1,035.81
		Total loss	£11,817.87

Mr V complained to Monzo about what had happened. But it didn't uphold his complaint, so he brought his complaint to this Service via a third party.

Our Investigator looked into things and thought that Monzo hadn't done enough to protect Mr V, and so his complaint should be upheld in part.

Monzo agreed that it hadn't done enough – but it disagreed that it should have intervened with the payments Mr V was making at the point our Investigator suggested.

As no agreement was reached, the complaint has been 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.

Having done so, I've decided to uphold this complaint in part, for broadly the same reasons as our Investigator.

It isn't in dispute here that Mr V has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In broad terms, the starting position at law is that banks and other payment service providers such as Monzo is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable in January 2023 that Monzo should:

- Have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr V when he authorised payments from his account or whether it could and should have done more before processing them.

In principle – Monzo agrees that it should have intervened in some of the payments Mr V was making – and it says that the appropriate point for it to do so would have been payment 9 – however, I agree with our Investigator that it should have checked in with Mr V about what was happening from payment 7.

I say this because payments 1-6 weren't of a particularly large value, and while they were going to a known cryptocurrency exchange, not every such payment is made as part of a scam.

However – crypto does carry an elevated risk, which Monzo would have been aware of – and payment 7 was made only a few minutes after payment 6 and was over double in value – it was also much larger than the previous payments Mr V had recently made. So, I think

that Monzo should have had concerns at this point that Mr V may have been at risk of financial harm and got in touch to find out what was going on.

I haven't seen anything to suggest that Mr V was told to lie or withhold information from Monzo – so if it had asked him some questions about what he was doing, I think he would have answered honestly – and Monzo would quickly have established that it was likely he was falling victim to a scam, and warned him of the risks. I don't think that Mr V would have ignored such a warning either, and so the scam would have been uncovered at this point and further losses prevented.

I do have to consider if Mr V should bear some responsibility for what happened – and like our Investigator I agree that Mr V should share responsibility with Monzo from the point I think it should have intervened on a 50% basis. Mr V has already accepted this, so I won't go into too much detail here – however, I don't think that Mr V was as careful as he should have been before parting with his money. The opportunity came out of the blue, and Mr V didn't do any research in to the job he was offered, I also think that the opportunity presented to him was unusual in that he would have to pay upfront in order to earn money.

Putting things right

Monzo Bank Ltd should refund Mr V 50% of payments 7 to 11. On top of this it should also pay 8% simple interest (less any lawfully deductible tax) from the date the payments were made until settlement.

My final decision

I uphold this complaint in part. Monzo Bank Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 27 August 2025.

Claire Pugh
Ombudsman