

## **The complaint**

Ms S complains about Monzo Bank Ltd.

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

## **What happened**

Ms S unfortunately fell victim to a safe account scam and has lost £9,030 as a result.

Ms S received a scam text message where she was asked to provide card details to arrange a delivery – which is how the scammers got hold of her details.

Soon after, Ms S received a call from 'Monzo' saying that she had been scammed, and advising her that her account with Monzo, and her accounts with other banks been compromised.

She was told that she needed to move her money to a safe account in order to protect her funds. She transferred £10,000 from her account with B to her Monzo account and then was tricked into authorising two payments of £3,030 and £6,000 to a company 'B' – a legitimate business which provides vouchers.

After the payments were made, Ms S was told to wait on a further call from Monzo to upgrade her account, but this didn't happen, and Ms S realised she had been scammed.

Ms S then contacted B and Monzo to explain what happened and brought a complaint to this Service about Monzo.

Our Investigator looked into things and thought that Monzo should have got in touch with Ms S when the second payment was made, which could have stopped the scam. However, they also said that Ms S wasn't as careful as she should have been, and so responsibility for the loss should be shared between Ms S and Monzo on a 50% basis.

Monzo accepted this outcome, but Ms S did not – she asked for an Ombudsman to make a final decision on her complaint, so it 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.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions

of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Ms S authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Monzo should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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 Ms S when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the initial payment Ms S made, I don't think that Monzo needed to get in touch with Ms S about what was happening. While I understand that Ms S says that the payment was unusual for her account, and happened shortly after a large deposit was made, I am afraid that I am not persuaded that at this point there was enough going on for Monzo to have had any concerns. Ms S regularly topped up her Monzo account from her other bank account, and the payment was made to a legitimate business.

While the payment was larger than usual, it isn't uncommon for people to make a one-off higher payment than normal – and business can't be expected to intervene in every such payment.

However, by the time Ms S authorised the second payment, I think that Monzo should have had concerns about what was going on – it was made in very quick succession to the first

and nearly cleared the balance of Ms S's account. So, I think Monzo should have got in touch with Ms S to discuss what was going on.

I don't doubt that had Monzo intervened at this point, Ms S would have explained the situation to Monzo and told it that she had been told her account was compromised – so Monzo would have quickly been able to establish that it was a scam, and the payment could have been prevented.

That said, I do also need to decide if Ms S was as careful as she should have been before authorising the payment, and I don't think that she was. I'll explain why.

The call was received from an unknown number, not from Monzo directly, and I think that Ms S could have questioned why Monzo staff would have had access to her other accounts to know that these had also been compromised. While I understand that Ms S says that the caller knew some of her information, I don't think that Ms S should have taken this on face value – and contacted Monzo directly herself via a trusted method.

The scammer gained Ms S's trust by confirming with her that she should not share the authorisation codes that the legitimate Monzo was sending to her – but I think that Ms S should have seen that the codes that were being sent to her related to payments she was being asked to authorise, to a payee that she did not recognise. So, while I think that Ms S was put under pressure, and was trying to protect her account, I think that she should have noticed that she was being asked to authorise a payment out of her account.

I do appreciate that Ms S was in a panicked situation, and was trying to protect her money – but I am also not persuaded that what the scammer was telling her to do made sense – the scammer told her that as it was a Sunday this was the only method of securing her funds, but I don't think this rang true – if Monzo was able to contact Ms S, why was it not able to freeze her accounts.

Therefore, I agree with our Investigator that responsibility for the loss from payment two should be shared on an equal basis between Ms S and Monzo.

### **Putting things right**

Monzo Bank Ltd should refund Ms S 50% of the second payment, plus 8% simple interest from the date of payment until settlement (less any lawfully deductible tax).

### **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 Ms S to accept or reject my decision before 21 October 2025.

Claire Pugh  
**Ombudsman**