

The complaint

A company, which I'll refer to as L, complains that Monzo Bank t Ltd won't reimburse it after it sent funds to an online auction site, that it now considers to have been a scam.

Mrs J, who is the director of L, brings the complaint on L's behalf via a professional representative. For ease of reading, I'll refer to all submissions as being made by Mrs J directly throughout this decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But briefly, both parties accept that in October 2023, Mrs J made two payment transfers totalling £14,350 to an online auction firm I'll refer to as B – these payments being for a deposit and an administration fee for a property she'd won at auction.

However, after paying this deposit, Mrs J claims that B's solicitor purposely sabotaged completion on the property, by delaying responses to her solicitor's requests or not answering simple queries. When Mrs J failed to complete by the stipulated date, B stated the contract was terminated in accordance with its terms and conditions. Mrs J tried to negotiate a late fee to continue with the sale, as she stated she would be able to complete the following day – however B advised it wouldn't do so unless a further £15,000 was paid.

Mrs J has since heard of other individuals who have had similar experiences with B, and believes the firm was set up as a scam. She therefore contacted her bank, Monzo, to raise a claim.

Monzo considered Mrs J's claim but didn't uphold it. It said that Mrs J made the payment to a firm who offer legitimate services. As a result, it considered this to be a civil dispute between Mrs J and B.

Mrs J remained unhappy and referred her complaint to our service. An investigator considered the complaint but didn't uphold it. She didn't think the evidence provided for Mrs J's dealings with B's solicitor was demonstrated that B wasn't intending to see the sale through – and she also hadn't seen anything from relevant regulatory bodies such as the Solicitors Regulation Authority that would suggest B's solicitors were acting fraudulently

While the investigator noted there were other customers also unhappy with the actions of B, she also noted there was evidence to suggest B were also genuinely selling houses, albeit at times with issues regarding quality.

Mrs J disagreed with the investigator's view. She also highlighted another case previously investigated by our service that appeared to agree that B was a scam.

As Mrs J disagreed with the investigator's view, the complaint has been referred to me for a final decision.

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'm very sorry to hear of the position Mrs J has been left in. She's paid out a considerable amount of money, without obtaining the expected property as a result. However, in considering Mrs J's complaint, I'm not deciding a dispute between Mrs J and B – I don't have the power to look into a complaint about B. My role is limited to deciding the dispute between Mrs J and Monzo.

As a starting point in law, Mrs J is responsible for payments she's instructed Monzo to make. Unfortunately, there's little protection available to her for bank transfer payments, like this was.

The Lending Standards Board Contingent Reimbursement Model Code (the CRM Code), which Monzo has agreed to act in the spirit of, does provide some protection to victims of APP scams. But it specifically excludes private civil disputes.

For a payment to be covered by the CRM Code, it must meet the definition of an APP Scam under the CRM Code. In this context, that would require that the very purpose for which B procured the payment was different to what Mrs J believed due to dishonest deception. I've therefore thought about whether the available evidence here supports that this was the case.

I've considered Mrs J's complaint that B purposefully used delay tactics in order for the sale to not complete in time, however I don't consider sufficient evidence has been provided to support this. From the emails pre-dating the agreed completion date provided by Mrs J between her solicitor and B, it seems other than one occasion where there was a delay of around five days, all emails sent by Mrs J's solicitor were responded to within a day, or the following day at most. I've also not seen evidence of redacting documents to slow the process down. B also provided commentary to its own banking provider that suggests additional emails were sent within the five-day delay referenced. Mrs J has also suggested she would have been able to complete her purchase the day after the deadline, which I think again supports that B were engaging to some extent with her.

I understand Mrs J was told she would need to pay a further £15,000 to complete based on being a day passed the deadline, which she also considers demonstrates B's lack of intent to complete the sale and that it also violated her agreement, which stated delays would be charged at £100 per day. However, Mrs J's contract states that this daily fee applies '*if the seller does not rescind the contract...for the purposes of late completion*', which in this case was what the seller decided to do.

Mrs J has referred to a view reached previously by our service, that appeared to determine that B was a scam, which Mrs J believes is inconsistent. Our service can only rely on the evidence and facts available to us at the time an opinion is issued - and based on the points raised by Mrs J, as well as further research into B, I simply don't agree that the available evidence meets the high bar in determining that B was running a scam. Mrs J has referenced other properties sold by B, where she states B was not the owner of the property and had no legal right to sell it. While Mrs J believes there is no link between B and the owner of these properties, it appears both companies were registered, for a period of time, at the same address and had a shared director. I therefore don't think the available evidence supports the assertion that B was unable to sell the properties in question it had listed.

In reaching this opinion, I've also taken into account that B was previously a member of other ombudsman schemes, which would be unusual for a scam firm to do. While I'm aware

that B has since been excluded from the scheme, the available evidence doesn't show that this was due to fraudulent actions.

I've also taken into account reviews from other customers available online. These are certainly mixed, but it does evidence that individuals have successfully used B for both selling and buying properties and B is therefore providing the service it claims to be.

I'm also mindful that, in her submissions to this service, Mrs J has mentioned actions that other banking providers have taken in respect of reimbursing their customers who made payments to B and subsequently raised a claim. That is a decision the other banking providers have made, however it doesn't automatically follow that this service would consider other payment providers should do the same. Here, as I'm required to do, I've looked at the individual circumstances of Mrs J's complaint.

All things considered, I simply can't safely conclude that B took Mrs J's money without ever having any intention of selling her the property in question. The evidence available to me simply isn't enough to support such a finding. That means that I can't fairly hold Monzo responsible for the loss suffered here. It also means I find the bank had no ability or obligation to try and recover Mrs J's money.

My final decision

My final decision is that I don't uphold L's complaint.

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

Kirsty Upton
Ombudsman