

The complaint

Miss M complains that Monzo Bank Ltd ('Monzo') won't reimburse the funds she lost when she fell victim to a scam.

What happened

Miss M says that she was selling an item on a platform she was using for the first time and received a message with a link. She then received messages she believed to be from the platform saying that she would receive a push notification to check the validity of her card. After referring to a verification code, the message went on to say, *"It contains the code #199 and in some cases may appear as a payment in your bank's app. You need to confirm it in your bank's app for the verification to be successful. Note that this is not a purchase, even if it shows up as such in your bank's app."*

Miss M received a notification in her Monzo app. She then found that a card payment of £199 had been made to a merchant and was told she would need to confirm another request.

Miss M reported the scam to Monzo soon after the payment was made.

Monzo said it followed its internal processes and Miss M didn't take enough steps to check who she was paying and what for.

Miss M was unhappy with Monzo's response and brought a complaint to this service. She asked that Monzo refund her loss and pay compensation.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. He said that given the value of the transaction he wouldn't have expected Monzo to have intervened before processing it.

Miss M didn't agree with the investigator's findings and asked for a final decision. She said she is the unwitting victim of a scam, and banks have a legal responsibility to reimburse in these circumstances.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

The relevant law here is the Payment Services Regulations 2017 – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments, and the business (in this case Monzo) is responsible for unauthorised payments.

It isn't in dispute that the scammer made the payment online and that Miss M approved the payment in her Monzo app under the belief that she was completing a verification process.

The payment was correctly authenticated using Miss M's card information and stronger authentication was completed in Miss M's app.

For a payment to be authorised, it must be consented to by Miss M or someone acting on her behalf. This consent must be given in the form and in accordance with the procedure agreed between Miss M and Monzo. In practice this is set out in the applicable terms and conditions which say that a payment can be consented to in the Monzo app.

It appears it was the scammer who gave the payment instruction using Miss M's card details, and as Miss M didn't agree to this, the payment has not been made with her actual authority. I've gone on to consider whether the payment was authorised on the basis that Miss M confirmed the payment in her banking app. As part of this I've reviewed what Monzo has shown this service the screens presented to Miss M would have looked like.

Miss M was presented with a screen to authorise the payment. The screen said, 'Review Payment' and showed the name of the merchant and the amount of the transaction. Miss M was then required to click 'Decline' or 'Accept'. In this case Miss M chose 'Accept'. I think that by doing so Miss M gave apparent authority to the scammer to make the payment and that Monzo can fairly treat the payment as authorised.

There are some situations where this service believes that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Whilst I recognise the loss of £199 had a big impact on Miss M and meant she had to borrow funds, I can't fairly say that it was at a level where Monzo ought reasonably to have recognised a heightened risk of it being associated with a scam and taken additional steps before processing it. There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments. Whilst banks have an obligation to act in their customers' best interests, they can't reasonably be involved in every transaction. To do so would involve significant disruption to legitimate payments.

Miss M has referred to the Contingent Reimbursement Model Code, but this code doesn't apply to payments made by card. So I can't consider its provisions here.

There is some protection for card payments via the chargeback scheme but, like the investigator, I'm not satisfied that a chargeback would have a reasonable prospect of success as Miss M's funds went to a legitimate merchant that provided a service.

I've also considered the service Monzo provided to Miss M. She reported the scam to Monzo on 24 March 2024 and Monzo communicated its decision not to reimburse her on 24 April. In the meantime, Monzo's wellbeing team reached out to Miss M to signpost her to other services. In the circumstances, I'm not making a compensation award.

Overall, whilst I am sorry to hear about this cruel scam, I can't fairly ask Monzo to reimburse Miss M.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 September 2025.

Jay Hadfield
Ombudsman