

The complaint

Mrs A complains that Monzo Bank Ltd did not refund a series of payments she lost to a scam.

What happened

Mrs A was contacted via a messaging app about a job opportunity that was fully remote and flexible. Mrs A would take part in online marketing with the end client being a well-known retailer. She had to complete a set amount of tasks to earn commission, and some special tasks cost more to complete, but provided higher rates of commission. To facilitate the payments and her wages, she opened a crypto currency wallet. She made a number of transfers from her Monzo account for peer-to-peer cryptocurrency purchases. I won't list out all of the transactions here.

The 'special' tasks became more and more expensive until eventually Mrs A could not afford the last task and could not proceed without paying it. She eventually realised she had been the victim of a scam and raised a scam claim with Monzo.

Monzo did not agree to reimburse her under the relevant regulations. The complaint was referred to our service and our Investigator reviewed it. They initially did not think there was enough to be satisfied a scam occurred, but Mrs A then sent in further evidence about the scam. Following this, the Investigator felt the final payment of £2,000 should be refunded, as it brought the total paid to the same payee to just under £4,950 in one day. This payee was based in Australia though it was not an international payment, and the amounts involved were unusual compared to Mrs A's usual activity.

They therefore felt an intervention should have happened, and if it had the scam would have quickly been revealed as Mrs A was victim to a well-known type of scam. But they felt Mrs A should bear some responsibility for the loss meaning the redress should be reduced by 50% to £1,000, which they felt 8% simple interest should be added to.

Mrs A responded and accepted the findings. However, Monzo did not agree as they felt the activity was not unusual and that Miss A had successfully purchased cryptocurrency with the funds, so there was no loss from her Monzo account.

As an informal agreement could not be reached, the complaint has been passed 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mrs A authorised the payments in question as she believed they were part of a legitimate job opportunity. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Monzo was obliged to follow Mrs A's instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Monzo did enough to try to keep Mrs A's account safe.

Having reviewed the transactions alongside Mrs A's genuine account usage, I do not think the initial 17 transactions were unusual enough to warrant intervention from Monzo. They were for relatively low amounts and were going to a number of different payees, so I think it would have been difficult for Monzo to see a pattern of payments that matched that of a scam.

However, payments 18 and 19 were both going to the same payee on the same day, and were for the increased values of £2,950 and £2,000. Individually, I do not think these were of a significant enough value to warrant intervention. However, I think Monzo could have seen it as unusual that Mrs A made two payments to the payee in one day, for a higher value than she usually made on the account to an external account not in her name, and that the final payment brought the combined value that day to just under £5,000. In addition, the payee was based abroad and even though this was not an international payment, I think this added to the general risk level the payments posed. With all of this in mind, I think it would have been reasonable for Monzo to intervene in the final payment of £2,000 to ask Mrs A some questions about the payment.

Due to the type of scam Mrs A had fallen victim to, I think some basic questions about what the payment was for and why she was making it would quickly have revealed the scam. Job scams were prevalent at the time the payment was made and nothing I have seen suggests Mrs A was guided to withhold the true purpose of the payments from Monzo. So, I think Monzo missed an opportunity to meaningfully reveal the scam and I think they should therefore reimburse Mrs A with the final payment of £2,000.

I've considered whether or not Mrs A should reasonably bear some responsibility for the losses as a result of any negligence in her actions and if it is therefore reasonable for me to make a reduction in the award based on this. In doing so, I've considered whether she has acted as a reasonable person would to protect herself against the loss she suffered. The test is objective but needs to take account of the relevant circumstances.

I have to consider that Mrs A was contacted seemingly out of the blue by someone offering her a fully flexible job earning between £1,200 and £1,400 per week with no application process or screening needed. I think she could reasonably have seen this as too good to be true considering the significant salary and lack of checks. As Mrs A has already accepted the offer and therefore this reduction in the redress, I see no reason to discuss this issue further.

Monzo has argued that there was no loss when Mrs A purchased the peer-to-peer

cryptocurrency, so it should not be responsible for reimbursing her. They cited the Contingent Reimbursement Model (“CRM”) Code regulations; however, this payment was not covered under the CRM Code. And I have explained why I feel the payment was unusual enough to warrant an intervention, and why a conversation would likely have revealed the payment was part of a wider payment journey Mrs A was making specifically because she had fallen victim to a scam. And why an intervention from Monzo could therefore have prevented the final payment from being made. I therefore think Monzo should put Mrs A back into the position she would have been in had they intervened and reimburse the final payment.

Putting things right

As explained above, Monzo should reimburse Mrs A with the final payment, and it can reduce this by 50% to account for her contribution to the loss. This makes the redress £1,000. Monzo should add 8% simple interest to this from the date of the transaction to the date of settlement.

If Monzo considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs A how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I uphold Mrs A's complaint in part and recommend Monzo Bank Ltd pay the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 20 March 2025.

Rebecca Norris
Ombudsman