

The complaint

Miss N complains that Monzo Bank Ltd (“Monzo”) won’t refund her the money she lost after she fell victim to a scam.

What happened

The background to this complaint is well known by both parties, so I won’t repeat it all in detail here. But in summary, I understand it to be as follows.

In February 2024, Miss N arrived home and suspected that her sister was speaking to a fraudster on the phone, who was pretending to be her bank and saying her sister’s account was at risk. She told her sister to hang up, which she did but she was called back. Miss N was subsequently convinced by the caller, due to text messages she was shown that it was a genuine call, but it was indeed a fraudster.

The fraudster then persuaded Miss N that, due to her sharing the same Wi-Fi as her sister, her account had also been compromised and that she needed to move her money, from an account she held with another banking provider, to her Monzo account in order to keep it safe. Believing her money was at risk Miss N followed the fraudster’s instructions.

The fraudster told Miss N that there were fraudulent transactions on her account, which needed to be refunded. In order to carry out the refunds Miss N was told she needed to provide the fraudster with further details, so she gave them the last ten digits of her Monzo card number, along with the expiry date and the CVV number for the card. Miss N has said, believing she would be receiving refunds into her account, she ‘clicked’ to accept a number of transactions on her account. But rather than refunds, these were payments being made out of her account – five payments left her account totalling over £2,000.

Miss N reported the matter to Monzo, but it didn’t agree to refund her the money she had lost. In summary, it said Miss N had authorised the payments because she’d provided her consent through its security process. It added that it had complied with its procedures and obligations and that Miss N hadn’t taken enough steps to keep herself safe.

Unhappy with Monzo’s response, Miss N brought her complaint to this service. One of our Investigator’s looked into things but didn’t think the complaint should be upheld. In summary, she didn’t think Monzo had missed an opportunity to detect and prevent a scam.

Miss N didn’t agree with our Investigator’s view. As agreement couldn’t 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.

Under the relevant law, the Payment Services Regulations 2017 (PSRs), the starting point is that Miss N is liable for authorised payments and, with some exceptions, Monzo is liable for unauthorised ones.

Where a payment is 'authorised', that will often be because the customer has made the payment themselves. However, there are other circumstances where a payment can be considered authorised, such as where the customer has given permission for someone else to make a payment on their behalf or they've told their payment service provider they want a payment to go ahead.

Here it's not in dispute Miss N was the victim of a scam, and it doesn't seem to be in dispute she took certain steps – such as sharing her card details, authenticating payments in-app (such as through 3DS and setting up Apple Pay tokens) and entering her PIN – which then led to payments from her account.

I'm mindful of Miss N's comments, that she was tricked into taking the steps she did in the belief that she was speaking to her bank, protecting her money and that she would be receiving refunds.

At the same time, I've seen an example of the screens she would have seen when these were approved in-app. For the first payment, for £1,875.76, which was also the largest, I can see that the in-app messages presented, as part of the 3DS process, indicated that a payment was being made and in her submissions, Miss N confirmed that she had questioned the fraudster about why money was coming out of her account, but was reassured it was a refund.

So, while I understand Miss N believed that she had to follow the instructions of the fraudsters, I'm satisfied Monzo asked her in a clear way if she wanted to 'approve' this payment. And, given the clarity of the screens, I think it's reasonable for Monzo to rely on the steps Miss N took as representation of her confirming she gave consent, and therefore to treat this payment as authorised.

I'm mindful the remaining payments were made through Apple Pay transactions. In order for these payments to have been set up Miss N would have needed to have entered her PIN, in the app and this would have been after her card number and CVV had been added. Miss N's account history demonstrates that previous Apple Pay tokens had been set up on her account, so I don't think it's unfair to say that she ought reasonably to have known that the purpose of setting up Apple Pay is to make payments.

On balance, I can't fairly find the payments that were made through Apple Pay payments were unauthorised. It is also worth noting, that even if I were to say the Apple Pay payments were unauthorised, Monzo may, in any event, be entitled to hold Miss N liable for the transactions being authorised, given she had given the fraudsters her card number, CVV number and she entered her PIN, so its arguable Miss N's actions could be considered as failing with intent or gross negligence in not keeping her security details secure.

Overall, with all things considered and in the individual circumstances of this case, I'm persuaded there ought to have been enough of an awareness that Miss N's actions could have resulted in payments. It follows I think it fair and reasonable to treat the payments as authorised.

However, that isn't the end of matters. There are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Monzo) should fairly and reasonably have been on the lookout

for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Miss N when she authorised the payments, or whether it should have done more than it did. In doing so, I have to be mindful that banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

I've thought about this carefully. Having done so, while I don't doubt these payments represented a lot of money to Miss N, I can't fairly say the payments she made would (or should) have alerted Monzo that she was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payments. So, I don't consider Monzo are liable for the loss Miss N incurred.

Finally, I've considered whether there was any opportunity for Monzo to have recovered the money Miss N sadly lost. It's possible to dispute a debit card payment through a process called 'chargeback', which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules.

I haven't seen any evidence that Monzo raised chargebacks here. But sadly, in any event, I don't think that has made a difference. I say that as it's evident here that the card payments Miss N made went to legitimate merchants and I think it's more likely than not the merchant has provided the goods or services paid for (albeit to the fraudsters). Sadly, this is a common tactic for fraudsters, to dupe people into making payments for goods or services that the fraudsters will then receive.

Miss N's dispute is mainly with the fraudster. But as the card payment was made to a legitimate merchant and not the fraudster, Monzo can't raise a claim against the fraudster directly, but rather, only the legitimate merchants Miss N has paid. I'm persuaded here that that there would have been no reasonable grounds for a chargeback to be raised against the merchant here under any of the chargeback reasons provided for in the card scheme's rules.

I am sorry to disappoint Miss N, she was the victim of a cruel scam, and she has my sympathy that she has lost money in this way. However, I can't fairly say Monzo should have prevented the loss and therefore it isn't liable to reimburse Miss N.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 16 January 2026.

Stephen Wise
Ombudsman