

## **The complaint**

Mr O is unhappy that Monzo Bank Ltd won't reimburse money he lost to a scam.

## **What happened**

The investigator has already set out the background to this complaint, so I'll only do that briefly here:

- Mr O was introduced to someone ("S") through his brother that promised he could find him employment.
- He made a payments totalling just under £13,000 to S believing the money to be for various fees, charges and training costs associated with being provided with a visa and employment.
- Of that amount £3,500 was paid from his Monzo account in March 2024.
- Once the payment was made, S didn't provide the services and after offering, but not providing, a refund, cut off contact.
- Mr O attempted to pursue S through the courts, but hasn't been able to recover his money.
- He reported the matter to Monzo but it asked him for more information before deciding his claim.
- He referred the complaint to our service through a professional representative but one of our investigators didn't uphold the complaint. They thought that Monzo could fairly decline to reimburse Mr O under the provisions of the Lending Standards Board's Contingent Reimbursement Model Code ("CRM Code") as Mr O lacked a reasonable basis for believing that S was legitimate and it was not reasonable for Monzo to have warned Mr O about this specific scam.
- Mr O didn't agree with our investigator and asked for an ombudsman to review the complaint. They argued that Mr O had checked that S had a limited company and had made the payments believing they were for legitimate reasons – including a training course, a visa application and an Immigration Health Surcharge fee for five years.

As no agreement could be reached, the case was 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 broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. But Monzo, while not a signatory, agreed to adhere to the CRM Code, which required firms to reimburse victims of authorised push payments ("APP") scams in all but a limited number of circumstances.

In order for the CRM Code to apply to the payments Mr O made, he needs to have fallen victim to an APP scam. Owing in part due to a lack of evidence, it's not entirely clear whether Mr O has fallen victim to a scam here, but Monzo doesn't appear to have disputed this and, for the reasons I'll come onto explain, I think this complaint fails for other reasons, so I won't dwell on this question.

### *Exceptions to reimbursement*

In order to decline a claim under the CRM Code, Monzo can rely on one of a limited number of exceptions. The most relevant exception here is:

*In all the circumstances at the time of the payment, in particular the characteristics of the Customer and the complexity and sophistication of the APP scam, the Customer made the payment without a reasonable basis for believing that: (i) the payee was the person the Customer was expecting to pay; (ii) the payment was for genuine goods or services; and/or (iii) the person or business with whom they transacted was legitimate.*

I'm sorry to hear about what's happened to Mr O, I can understand what a difficult position he was in – needing to obtain a new visa to remain in this country.

But, I'm afraid that my impression is that Mr O acted out of hope rather than a reasonable belief that S was a legitimate provider of services. I'll explain why.

Mr O has provided very little evidence of his interactions with S, so it's hard to understand the circumstances in which the agreement came about or what was agreed. But Mr O told our service that his understanding of the arrangement was that he would be provided with a job and 'sponsorship', but he'd need to pay all associated fees. I understand Mr O is referring to a 'Certificate of Sponsorship' ("CoS") which should be obtained by (and at the expense of) the employer (who would need to be registered with the Home Office). Mr O appears to have acknowledged that he, rather than the employer, would be paying for the CoS. That's not how CoSs are supposed to work and it's not permitted for an employer to pass on this cost to their prospective employee (or charge them additional fees). While I haven't been provided with a breakdown of the various fees Mr O charged, the amount he paid overall suggests that he may have paid significantly more than the actual cost of a CoS.

In response to our investigator's view, Mr O's representatives have also mentioned that the money was for an Immigration and Health Surcharge and the cost of the visa itself. I understand that these are fees that would normally be paid by Mr O directly, not his prospective employer and not a middleman on his behalf. I understand that part of the cost was supposed to be for an I.T. training course but it's not clear how much this was to cost or who was to be providing it.

I understand that Mr O has previously obtained a visa – so I'd expect him to have some familiarity with the process – including which fees he'd need to pay directly, which fees his employer should be responsible for and an idea of the costs involved.

Mr O also acknowledges that S wasn't offering a position in his own company – but was instead offering a job with a 'partner' company. In effect, S was acting as a middleman. And, in any case, I can't see that any limited company of which S is, or was, a director is registered with the Home Office to provide CoSs.

Two different limited companies were mentioned to Mr O – one appears to be involved in residential care homes and the other involved in cleaning and 'other design activities'. Mr O says he was eventually offered a job but as a graphic designer at a cleaning company. Mr O

refused this offer as it was contrary to what had been agreed. S claimed that the cleaning company was actually defrauding people by claiming to offer them employment. Again, Mr O has not been able to provide evidence of these interactions or any job offers or contracts and it's not possible to verify if what S was saying is true or not.

While I understand that S was known to Mr O's brother, Mr O acknowledges that he hadn't seen his brother in five years and I'm not sure how much weight Mr O could reasonably put on this seemingly rather distant connection.

Ultimately, I've been provided with little evidence about what was agreed between Mr O and S. The little evidence I do have points to Mr O putting a lot of faith in S with little basis to think that he could provide the services promised. I think he reasonably ought to have known that S was acting as a middleman and not acting legitimately by selling (or claiming to sell) job opportunities at considerable cost to the applicant.

I don't seek to blame Mr O for what happened – it's clear that he's lost a considerable amount of money and did not receive what he paid for. I can also understand why he went ahead, given the situation he found himself in. However, overall, for the reasons I've explained, I don't think Mr O had a reasonable basis for believing that S was offering legitimate services and I think that Monzo can fairly rely on the exception set out above to decline reimbursement.

#### *Monzo's standards as a firm*

Under the CRM Code, Monzo has certain standards it needs to meet. Of particular relevance here is Monzo's obligation to provide an Effective Warning where an APP scam risk is identified.

I think that Monzo should have identified that the payment carried an APP scam risk. It didn't provide any warnings. However, it will only be responsible for 50% of the loss if its failure to provide an Effective Warning would have had "a material effect on preventing the APP scam that took place".

I'm not persuaded that this type of scam (sometimes known as 'visa scams') was sufficiently well known at the time that Monzo ought to have specifically designed its systems to warn about it.

So, its failure is to provide a warning about the risk of scams involving goods and services. But, in my view, it's unlikely that a warning of that nature would have stopped the scam, given the rather specific features that a visa scam has (and that this scam in particular had).

That means that I don't think that Monzo's failure to meet its standards under the CRM Code had a material effect on preventing the scam and, overall, it hasn't made a mistake in declining reimbursement.

For largely the same reasons I don't think that Monzo could reasonably have prevented the scam. I can see that Mr O communicated with Monzo on the same day as the payment was made, including speaking to them over the phone. That communication was initiated by Mr O and was prompted by Monzo blocking his account (Monzo's advisor suggested this might have had something to do with the £3,500 payment to S he'd attempted to make). However, I haven't seen anything to suggest that Monzo was specifically concerned about a scam risk associated with the £3,500 payment and it did not contact him or ask him to contact it about the block on his account. The conversation focussed on Mr O's frustration that his account had been blocked.

The payment Mr O was attempting (and ultimately made successfully) was not of such a high value or high risk nature that I'd expect Monzo to have done more than provide a written warning which, as I've explained, wouldn't reasonably have covered off the risk of 'visa' scams. So I don't think Monzo made a mistake by not probing Mr O on the circumstances of that payment during the call. I also don't think it made a mistake by blocking Mr O's account, which it is entitled to do in line with its regulatory obligations.

I've also considered whether Monzo did what it ought to have done to try and recover the payment. I can see that it contacted the receiving bank but that Mr O's funds left that account before he reported the matter to Monzo, so it couldn't have done any more.

### **My final decision**

For the reasons I've explained, I do not uphold this complaint.

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

Rich Drury  
**Ombudsman**