

The complaint and background

Ms T complains Monzo Bank Ltd ('Monzo') won't reimburse over £12,000 that she lost when she fell victim to an employment scam.

Our investigator didn't uphold the complaint. He didn't consider the first nine disputed transactions made, ought to have raised any concerns with Monzo that Ms T was potentially at risk of financial harm. He found that by payment ten there were grounds for concern and Monzo ought to have intervened. But he wasn't satisfied this would've made a difference because Monzo had already intervened. During this intervention, Ms T misled Monzo so they were unable to identify the true nature of the scam she was falling victim to. Our investigator wasn't satisfied Monzo could've done more to prevent Ms T from losing her money. He also addressed concerns raised by Ms T about the challenges she faced with reporting her scam claim to Monzo at the time. He didn't uphold this aspect of her complaint either.

Ms T disagreed and considers that Monzo could have prevented her loss. She considers that it was Monzo's failure to thoroughly investigate the situation which hindered the identification of the scam.

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.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Monzo ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Monzo did find one of Ms T's payment's suspicious and declined the payment to make some further enquiries. The payment was for £7,535.68 to a crypto currency exchange. The sum was significantly higher in value than any other payments already lost to the scam in the days prior. During the telephone call that took place the following day, the Monzo agent explains the purpose of the call. They make clear they believe she could be falling victim to a scam and the agent takes her through a series of questions. Throughout the questioning, Ms T misleads the agent. She explains she wants to buy crypto and that she's invested before. She goes on to explain she's been investing for a few months after she recently saw prices increasing. She confirmed no one has been in touch with her about the payment nor was anyone directing her to make the payment. Ms T provides further reassurances to the agent too explaining she worked for more than ten years in financial institutions.

Based on the responses provided by Ms T, the Monzo agent proceeds to provide her with warnings relevant to crypto currency investment scams. There was no indication from Ms T's responses that she might instead be falling victim to a different type of scam. I'm not persuaded Monzo ought to have done any more to warn Ms T about the payment she was attempting to make. I'm satisfied what it did here was proportionate to the scam risk it had identified.

Following this, Ms T then proceeded to make a sequence of eight debit card payments – seven of which were for identical values. These payments were being made to a money transfer service. Arguably, Monzo ought to have intervened again during this sequence of payments. But, on balance, I'm not convinced such an intervention would have made a difference and stopped Ms T's losses. Although Ms T could not have utilised the same responses she provided in her earlier interaction with Monzo, it remains she had already misled them. I can't overlook Ms T accepts she wasn't honest about the reason for her payments. And it can't be ignored that Ms T had already been presented with warnings by Revolut (when making earlier payments to the scam), which were relevant to the circumstances of the employment scam she was facing and which ought to have resonated with her. And although Monzo provided Ms T with a warning related to crypto currency investment scams, there were aspects of this warning which ought to have resonated with her too.

Having carefully considered the evidence before me, I think it's most likely Ms T would still have decided to proceed with the payments even if Monzo had intervened again during the later disputed transactions. Or she'd have found an alternative means for the payments to be made just as she did when she was prevented from making larger payments from her account with Revolut. Ms T has also acknowledged '*at no point did she recognise the true nature of the scam, as I genuinely believed I was engaging in a legitimate job opportunity*'. And explained she was reassured by the fraudulent parties she was dealing with which led her to continue making payments despite the warnings. I've also found Ms T reverted to the scammers when she encountered problems with payments she was attempting to make and I think she's likely to have continued in this way had there been any further interventions. In light of this, I don't think it would be fair to hold Monzo liable for Ms T's losses.

I've also thought about whether Monzo ought to have done anything to recover the funds after Ms T reported her loss. As the payments were all made by debit card, the only potential recovery option for those transactions would have been through the chargeback scheme. The chargeback process is voluntary and run by the card scheme whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed or be deemed a 'valid claim'. Our role in such cases is not to second-guess the card scheme rules, but to determine whether the regulated card issuer, so here Monzo, acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its customer.

I can see that Monzo did not attempt any chargeback claims. I think that decision was reasonable as the payment intermediaries had not failed to provide the service they sold – that is, to transfer money to an account held elsewhere. And for the single debit card payment to a crypto currency exchange, Monzo couldn't have recovered this payment because Ms T received the cryptocurrency before it was sent onto an account or wallet controlled by the scammers.

I've also considered how Monzo handled Ms T's claim when she reported it to them. She expressed being unhappy with her experience in reporting the scam to Monzo. The main cause for the upset was the scammer that persuaded Ms T to part with her funds. Having reviewed Ms T's interactions with Monzo at the time of the scam being reported, I haven't found any errors or delays to Monzo's investigation, so I'm not satisfied any compensation is warranted.

In conclusion, I have a great deal of sympathy with Ms T being the victim of what was clearly a cruel scam. But it would only be fair for me to direct Monzo to refund her loss if I thought it was responsible – and I'm not persuaded this was the case. In the circumstances, I cannot

fairly and reasonably hold Monzo liable. It follows that I will not be asking it to provide her with a refund.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 24 July 2025.

Mark O'Connor
Ombudsman