

The complaint

Mr S complains that Monzo Bank Limited did not refund a series of payments he lost to a scam.

What happened

Mr S fell victim to a task-based job scam after he was contacted by a 'recruiter' and offered a remote, flexible job in which he had to complete a set amount of tasks per day. He was told to open a cryptocurrency wallet and an account with a third-party account provider. Mr S had to 'top up' his work balance with cryptocurrency in order to carry out tasks, some of these were 'combination tasks' that were more expensive but gave higher levels of commission. Mr S made the following payments from his Monzo account to his cryptocurrency wallet:

Date	Amount (£)
21/05/2023	83.34
22/05/2023	50.34
24/05/2023	1,078.09
24/05/2023	2,487.00
24/05/2023	5,593.16
25/05/2023	2,637.65
25/05/2023	6,661.00

Despite paying more and more money for combination tasks, Mr S was still unable to withdraw his earnings once he had completed his set of tasks. Because of this, he realised he had been the victim of a scam and raised a claim with Monzo.

Monzo did not reimburse Mr S, so the complaint was passed to our service. Our Investigator looked into it and felt that Monzo should have intervened in the payment of £5,593.16 as it was the third payment to a cryptocurrency that day. And they felt if Monzo had intervened, it's more likely the scam would have been revealed, so they felt Monzo should reimburse Mr S from that point onwards. But they felt Mr S should share responsibility for the loss, so recommended a reduction in the redress of 50%.

Mr S accepted the findings, but Monzo did not. In summary, Monzo pointed out Mr S initially raised the payments as unauthorised, and was dishonest on the claim as a result. Because of this, they did not think he would have been honest had they intervened in the payments. They also felt Mr S had made payments of a similar value in the months prior so did not think the scam payments were unusual. And as Mr S was genuinely purchasing cryptocurrency from a legitimate provider, they did not think they needed to intervene.

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 Mr S authorised the payments in question as he believed they were part of a legitimate job opportunity. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Monzo was obliged to follow Mr S's instruction and process the payments. Because of this, he 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 Mr S's account safe.

I've firstly considered the scam payments, and whether they were unusual compared to Mr S's genuine account activity. Monzo has said they do not think the payments were unusual, as Mr S had made payments of similar values in the months prior. I can see in the six months prior to the scam, Mr S had made payments of £2,500, £3,000 and £5,700, with the majority of other payments on the account significantly lower than this in value. However, these payments were to established payees who Mr S had made multiple payments to previously. I therefore think the risk factor for these payments were lower in general.

The scam payments were to new payees who were identifiably cryptocurrency providers. I think the increasing value of the payments, as well as the increasing frequency of the payments should have been concerning to Monzo. While I appreciate not every payment to cryptocurrency will be as a result of a scam, I do think that payments to cryptocurrency carry an increased risk level and Monzo should reasonably have been aware of this in May 2023. The payment of £5,593.16 was the third payment to a cryptocurrency provider that day making the total sent over £9,000. I think all of these factors combined should have been concerning to Monzo and I therefore think a staff intervention was warranted to ensure Mr S was not at risk of financial harm.

Had Monzo contacted Mr S, I think it is more likely he would have been open and honest about the purpose of the payment. I have seen nothing in the chat with the scammer that suggests he was given a cover story or advised not to be honest. Monzo have highlighted that when Mr S initially raised his claim, he told them that he did not recognise the payments in question and so he was dishonest about the claim. They think this therefore shows he would not have been honest had they intervened in the payments. But I don't agree with this reasoning. I do not think that Mr S misrepresenting what happened after he realised he had been the victim of a scam indicates how he would have acted had Monzo correctly intervened when I think they should have. I think it is more likely Mr S was trying to ensure he got a return of the significant level of funds he had lost, but I don't think it indicates how he would have acted in a different scenario.

Monzo have argued that Mr S made a genuine payment to purchase cryptocurrency, and the loss therefore occurred from his cryptocurrency wallet, so they do not agree they had to intervene. I have explained above why I think the value and general pattern of the payments mean Monzo should have had concerns and intervened in the payment of £5,593.16. This intervention should have occurred regardless of whether or not the payee was a legitimate merchant. And I think it's more likely that had they intervened, a conversation with Mr S would have revealed that he was purchasing cryptocurrency in order to fund a job, which is a clear scam that would have been known to Monzo. For these reasons, I think the scam could have been revealed and I think further payments towards the scam could have been prevented. So, while I appreciate the loss did not occur directly from Mr S's Monzo account, I think they should have taken steps to protect him from financial harm and I think they ultimately could have prevented further payments to the scam being made.

I've finally considered whether Mr S should take some responsibility for the loss and whether there should therefore be a reduction in the redress. Mr S has already accepted that there should be a 50% reduction in the redress so I will not discuss this again in detail here. In summary, I agree that this reduction is fair. Mr S was offered a fully remote job with a favourable wage with no application or interview process. And by the point at which I think Monzo should reimburse him, he had already paid over £3,500 of his own money towards the job with no wages in return.

Putting things right

Monzo should reimburse Mr S from the payment of £5,593.16 onwards, and can reduce this by 50% to account for Mr S's contribution to the loss.

Monzo should also apply 8% simple interest from the date of the transactions 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 Mr S how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I uphold Mr S's complaint in part and recommend Revolut pay the redress outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 April 2025.

Rebecca Norris

Ombudsman