

The complaint

Ms P has complained about Monzo Bank Ltd not refunding several payments she says she made and lost to a job scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Ms P fell victim to a fake job scam after she was contacted on a messaging app by a scammer. She says she was told she would be paid for completing a number of tasks, but she would also have to pay in funds to the task platform periodically to unlock more tasks and receive payment. As she received payment at the beginning she believed it to be a genuine job. In total Ms P sent circa £10,000 from her Monzo account, via a money remittance service, to the scammer in August 2024. Ms P subsequently realised she had been scammed when she did not receive her "earnings".

Our Investigator didn't uphold the complaint as, although she thought Monzo ought to have been aware of potential financial harm to Ms P, she wasn't persuaded that Monzo could have prevented the loss had they intervened earlier than they did. This was because when another financial institution ("R") did intervene Ms P provided inaccurate information, informing it the funds were for a relative and not for her new job.

As our Investigator couldn't resolve the matter informally the case 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Ms P has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean she is automatically entitled to recompense by Monzo. It would only be fair for me to tell Monzo to reimburse Ms P for her loss (or a proportion of it) if: I thought Monzo reasonably ought to have prevented all (or some of) the payments Ms P made, or Monzo hindered the recovery of the payments Ms P made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Monzo treated Ms P fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it

should have done more than it did. Having done so, I've decided to not uphold Ms P's complaint. I know this will come as a disappointment to her and so I will explain below why I've reached the decision I have.

I have kept in mind that Ms P made the payments herself and the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Ms P did not intend for her money to ultimately go to a scammer – but she did authorise these payments to take place. However, there are some situations when Monzo should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the 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 - Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Monzo that Ms P might be at a heightened risk of financial harm due to fraud or a scam.

Considering the payments, I'm minded to agree with our Investigator that on 27 August 2024 Monzo should have intervened. I'm not persuaded the payments prior to this ought to have been of any concern to Monzo. It's not unusual for larger payments to be sent to a money remittance provider. However, by the second payment on 27 August Monzo should have sought clarification from Ms P as to the reason behind making these payments so shortly after receiving the funds into her account. I would have expected such an intervention to be a human intervention, such as via Monzo's in-app chat, with a suitable warning then given.

However, I am not persuaded that had such an intervention occurred it would have stopped Ms P from wanting to proceed. I say this because when a human intervention did occur by another R on 16 August 2024, she was not honest as to the reason for the transaction. She informed R she was making payments to herself and to a relative – and ultimately neither her family, nor herself, were attempting to scam her. Having reviewed the chat logs between Ms P and the scammer I have not identified that she was being heavily coached or supplied with detailed cover stories. Instead, it seems like Ms P was proactively thinking agilely to ensure the payments were made. I'm persuaded in this case that her belief in the job being genuine, the money she believed she was earning and the rapport she had built with the scammer from the start would have encouraged her to not be forthcoming with Monzo as well. I am persuaded that it's more likely than not Ms P would have continued thinking agilely, reassuring Monzo to alleviate any concerns it may have had, to ensure her payments

were successful. I have no doubt that she was under the assumption this was one of the, if not the, last payment she needed to make to unlock her profits.

Therefore, although I do not doubt the pressure she felt was a key factor in why she made the later payments, I do think Ms P would have continued to proactively look for ways to make these payments as she did at other points. Consequently, I'm not persuaded any further intervention would have led to the scam being uncovered either.

I'll add that even if it does look like there are decisions that have circumstances similar to these, we consider each case on its own individual merits. Although the circumstances of other decisions may seem to be similar, there are key differences.

Whilst Ms P has undoubtedly been the victim of a cruel scam, I can only uphold her complaint if I'm satisfied Monzo's failing to intervene earlier made a material difference to what happened. Ultimately, for the reasons given, I'm not persuaded it would have.

Recovery

Scammers will generally move the funds they receive shortly after receiving them, in order to hinder any recovery attempts. In this instance I do not think there was anything Monzo could have done to successfully recover the funds. The Contingent Reimbursement Model would also not be applicable here.

I really do appreciate that Ms P has fallen victim to a very cruel scam and that she will be disappointed with this decision. However, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Monzo to reimburse Ms P's loss.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 22 October 2025.

Lawrence Keath
Ombudsman