

The complaint

Mrs B complains about Monzo Bank Ltd.

She says that she has been the victim of a scam and would like it to refund her the money she has lost.

What happened

Mrs B was helping a client rent a property – but after her client decided not to go ahead, the landlord refused to return the £700 deposit she had paid unless she found another tenant.

As Mrs B was looking for a place for her sister who was due to arrive in the country, she decided to take on the tenancy herself, and agreed with the landlord that she would do so via text.

Mrs B then paid a deposit, and a month's rent upfront totalling £1,410 to secure the property herself.

However, when Mrs B went to visit the property, she found that there were already tenants living there – and the property wasn't actually available and realised she had been scammed.

Mrs B made a complaint to Monzo about what had happened, but it didn't uphold her complaint – but it did offer her £100 for the delay in investigating what had happened. It also managed to recover a small amount of the money Mrs B paid to the scammer.

Unhappy, Mrs B then brought her complaint to this Service. Our Investigator looked into things, but didn't think that Monzo needed to refund Mrs B the money she had lost. They said that Mrs B didn't have a reasonable basis for belief in what she was paying for, and that Monzo didn't need to give Mrs B a warning about what she was doing.

Mrs B asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 done so, I have decided not to uphold this complaint. I know this will be disappointing for Mrs B, so I'll explain why

I should start by saying that it isn't in dispute that Mrs B has been the victim of a scam, but this doesn't necessarily mean that Monzo needs to refund her the money she has lost – instead I need to consider the merits of her case, taking into account her own particular circumstances.

The CRM Code

Monzo has agreed to adhere to the provisions of the Lending Standards Board Contingent Reimbursement Model (the CRM code) which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams like the one Mrs B fell victim to, in all but a limited number of circumstances.

A customer who has fallen victim to a scam should, under the CRM Code, be refunded in full in most circumstances. But the Code does set out exceptions to reimbursement which a business can choose to rely on, if it can evidence that they apply.

Monzo has said that one such exception applies in Mrs B's case. Monzo says that:

- Mrs B lacked a reasonable basis for believing she was dealing with a legitimate person for legitimate purposes.

Having taken into account everything that Mrs B has provided to me, I am not persuaded that she has a reasonable basis for believing that the payments were being made as part of a legitimate rental agreement between her and the landlord.

I say this because Mrs B didn't undertake any checks on the supposed landlord before parting with her money – and although he was recommended to her via another client connected with her work, I wouldn't expect her to have just taken this on face value.

Mrs B also didn't visit the property before agreeing to rent it or complete any other checks to see that it was genuinely available, I understand that a letting agreement was sent to Mrs B via text, but I don't think this goes far enough to show that the offer was a genuine one.

Did Monzo need to provide Mrs B with an effective scam warning?

The CRM Code also sets out standards for firms – that is, what firms are expected to do to protect customers from the risk of fraud and scams. One of those requirements is that, where the firm has (or should have) identified that its customer is at risk from a scam, it should provide that customer with an "effective warning", within the meaning of the CRM Code.

While I understand that Mrs B has lost a lot of money personally, I can't say that the amount involved here warranted any warnings from Monzo before it allowed Mrs B to make the payment. The payment wasn't for a large amount of money and was made from a well-used account. And while Monzo does have to look out for unusual or suspicious transactions, it can't reasonably be expected to intervene in every payment. So, I am satisfied that it didn't need to provide Mrs B with a warning when she made the payment.

Recovery

I'm satisfied that when it was alerted of the scam, Monzo did what it could to alert the receiving bank about the scam, and to try and recover the money Mrs B had lost. It is unfortunate that only £10.11 remained – but scammers will usually move funds on as quickly as possible to prevent recovery of the funds – and this was done within minutes of the funds being received.

I am also satisfied that the amount of compensation offered to Mrs B is appropriate given the circumstances. While it has acknowledged that it did cause some delays during its investigation, these delays have not caused any further losses or impeded the recovery of Mrs B's funds.

I am very sorry that Mrs B has lost money in this way – and I know she has been tormented by the scammer since, boasting about what he has done and making vulgar requests. But I can't hold Monzo responsible for this, or her losses – this was the fault of the scammer.

final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 6 June 2025.

Claire Pugh
Ombudsman