

The complaint

X is unhappy that Monzo Bank Ltd (“Monzo”) will not refund him the £9,532 he lost after he fell victim to a task-based job scam.

X is represented by a third party.

What happened

X was contacted about a remote job opportunity on a social media messaging platform. The role involved X reviewing and promoting apps. He would have tasks to complete which would earn him commission. X realised he was the victim of a scam when he couldn't withdraw funds. As a result of the scam, X made the following payments:

Date	Transaction	Amount	
10/12/2023	Faster payment to X	£1,000	
10/12/2023	Faster payment to X	£1,480	
10/12/2023	Faster payment to X	£50*	
10/12/2023	Faster payment to X	£2,000	
10/12/2023	Faster payment to X	£2,000	
22/12/2023	Payee F	£1	
22/12/2023	Payee F	£1	
22/12/2023	Payee F	£20	
22/12/2023	Payee F	£980	
25/12/2023	Payee F	£500	
25/12/2023	Payee F	£500	
25/12/2023	Payee F	£500	
25/12/2023	Payee F	£500	

- The investigator listed this as payment 5

Monzo reviewed X's complaint and said it provided a warning when X made the payments. It said as he transferred funds to a cryptocurrency account in his own name the loss occurred after that.

Our investigator upheld the complaint in part. She felt Monzo ought to have been concerned from the second £2,000 payment on 10 December 2023 onwards. But she also felt X should share liability for his loss so recommended a 50% refund.

X accepted the outcome. Monzo did not agree.

I issued my provisional decision on 28 March 2025 explaining why I was reaching a different outcome to the investigator. Monzo accepted my provisional decision. Mr W did not accept it and said he did not want to be bound by it.

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.

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. For completeness, I have set this out below.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

In broad terms, the starting position at law is that Monzo is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in December 2023 that Monzo should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- 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;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Monzo sometimes does);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

The first five transactions were not made to a cryptocurrency wallet as indicated in the testimony provided by X and his representative. Instead, they were made to X's own account with another EMI. That EMI returned £4,050 on 18 December 2023 to X's bank account with H following its decision to close the account. So even if I agreed that the second £2,000 payment from Monzo to his other EMI account ought to have warranted intervention from Monzo – those funds have not been lost to scam.

Having considered the payments to cryptocurrency provider F, the individual transactions are very low in value. But I do accept multiple payment are made on both 22 and 25 December 2023. Overall, having considered the pattern and values, I think by the third payment on 25 December 2023 Monzo ought to have been concerned X was at heightened risk of financial harm from fraud.

In this case, Monzo knew the payment was being made to a cryptocurrency provider and its systems ought to have factored that information into the warning it gave. Monzo should also have been mindful that by December 2023, cryptocurrency scams have become increasingly varied over the past few years. Fraudsters have increasingly turned to cryptocurrency as their preferred way of receiving victim's money across a range of different scam types, including 'romance', impersonation and investment scams.

Taking that into account, I am satisfied that, by December 2023, Monzo ought to have attempted to narrow down the potential risk further. I'm satisfied that when X made the penultimate payment, Monzo should – for example by asking a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment he was making – have provided a scam warning tailored to the likely cryptocurrency related scam X was at risk from. But any such warning relies on the customer answering questions honestly and openly.

In this case, X was falling victim to a 'job scam' – he believed he was making payments in order to receive an income.

Monzo did in fact intervene and spoke to X following the fourth payment on 25 December. Bearing in mind the penultimate transaction was made eight minutes before the last, I am not persuaded that Monzo asking a series of automated questions designed to narrow down the type of cryptocurrency scam would have made a difference with X proceeding.

I say this because during the call Monzo specifically asked X why he was moving money to a digital wallet and he confirmed he was trading and explained in some detail to Monzo how he went about this. He also confirmed he'd been doing it for 'over a year'. X was specifically asked whether the payments were in relation to a job and whether anyone had contacted about a job on more than one occasion. X said 'no'. He also denied being part of an investment group chat. He was asked how he completed the investment and to describe the payment journey. He was also asked whether he received wallet IDs from anyone else to send money to from his wallet and X confirmed he was only sending money to himself.

Monzo then provided detailed cryptocurrency investment scam warnings in its in-app chat function – as that was the scam risk it had (reasonably in my view) identified from the conversation.

Based on this it is difficult to see how any earlier intervention of the nature I have described above (asking a series of automated questions designed to narrow down the type of cryptocurrency related scam risk) would have led to X answering questions accurately or disclosed the real purpose for the payments.

So while I think Monzo ought to have recognised that X was at heightened risk of financial harm from fraud earlier on, I don't think any proportionate intervention by Monzo could have prevented X's loss.

I've also thought about whether Monzo could have done more to help X to recover the funds once it was made aware of the scam, but I don't think it could as the payments went to a legitimate cryptocurrency provider which carried out the service it was required to. So, I don't think Monzo could reasonably have done more to recover the funds.

Whilst X has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied Monzo's failings made a material difference to what happened. For the reasons given, I'm not persuaded it would have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 1 May 2025.

Kathryn Milne
Ombudsman