

## The complaint

Mr A complains that Monzo Bank Ltd won't refund him the money he lost after he fell victim to an Authorised Push Payment (APP) scam.

In bringing his complaint to this service Mr A is represented, but for ease of reading I will refer to Mr A throughout this decision.

## What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around August 2023, Mr A was contacted by a recruitment agency, who claimed to have found his CV online, about a job which entailed advertising and reviewing products. Believing everything to be genuine Mr A proceeded, but unknown to him at the time, he had been contacted by fraudsters. The fraudsters then persuaded Mr A to pay his own money in order to proceed with the work.

To facilitate the payments to the fraudsters, Mr A made payments from his Monzo account to an account he held with a cryptocurrency platform, which I'll refer to as "C". The payments were then converted into cryptocurrency and subsequently transferred into the control of the fraudsters.

A breakdown of the transactions that Mr A has disputed is listed below;

Payment	Date	Time	Payment Method	Amount
1	12/09/23	13:59	Faster Payment to C	£22
2	19/09/23	10:28	Faster Payment to C	£1,090
3	28/09/23	13:15	Faster Payment to C	£1,000
4	28/09/23	13:30	Faster Payment to C	£1,000
5	30/09/23	10:11	Faster Payment to C	£580
6	05/10/23	17:35	Faster Payment to C	£1,000
7	05/10/23	18:30	Faster Payment to C	£3,000
8	16/10/23	21:58	Faster Payment to C	£1,340
<b>Total Loss</b>				<b>£9,032</b>

Mr A realised he'd been scammed when he was unable to withdraw his money, access to the 'job' platform was denied and the fraudsters stopped responding.

Mr A raised a fraud claim with Monzo, but it didn't agree to reimburse him as it didn't think it was liable for the loss, as the payments had been executed in accordance with Mr A's instructions.

Unhappy with Monzo's response, Mr A brought his complaint to this service. One of our Investigators looked into things and thought the complaint should be upheld in part. In summary, our Investigator thought Monzo ought to have intervened at the point Mr A made

the seventh payment to the fraudsters (the payment in the table above for £3,000 that was made on 5 October 2023 at 18:30). It was our Investigator's view that, had Monzo intervened at this point and warned Mr A, it would have made a difference, and he wouldn't have gone ahead with this payment or the one that followed.

But our Investigator also thought Mr A should bear some responsibility for his loss. In summary, this was because she thought there was enough going on that ought to have led him to have some concerns about the legitimacy of the job.

Monzo agreed with our Investigator's view. Mr A disagreed. In summary he thought at the very least Monzo should refund him 100% of his loss from the point he made payments on 19 September 2023. This was because Mr A thought Monzo's intervention should have come sooner than our Investigator had suggested and he didn't think he should bear any responsibility for his loss.

As agreement couldn't be reached, the complaint has been passed to me for a 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 very 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 focussed 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 haven't. 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Mr A authorised the payments in question, so that means he is liable for them in the first instance, even though he was the victim of a scam.

However, that is not the end of the story. The regulatory landscape, along with good industry practice, 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 victim to scams.

So, in this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr A when it processed the payments, or whether it should have done more than it did. In doing so, I'm mindful that firms, such as Monzo, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) against not holding up or delaying its customer's requests.

I'm not persuaded that the initial payments Mr A made (payments 1-6) exhibited particularly concerning or irregular account behaviour – such that I would reasonably have expected Monzo to be concerned that Mr A may have been at risk of financial harm. I say that as, while I understand the amounts paid were of substantial value to Mr A, they weren't of such high value that they stood out from payments that banks would typically see on a customer's account on a regular basis. Importantly and alongside this, Mr A was making payments to an existing payee, who he had made payments to previously.

But I do think a pattern was starting to emerge. While Mr A had made payments to this beneficiary previously, the payments were starting to be made with increased frequency and value. Additionally, they were being made to a beneficiary which was identifiably related to cryptocurrency which can sometimes, but of course not always, be indicative of fraud. So, when Mr A was attempting to make payment seven in the table above, it represented the second payment on the same day, but with a significant uplift in value when compared to the previous payments made and meant he was sending £4,000 within the space of an hour. I think, at this point, there was enough going on that Monzo ought to have reasonably identified that Mr A may have been at risk of financial harm from fraud.

Considering the factors mentioned above, I think it would have been proportionate for Monzo to have provided Mr A with a tailored written warning based on the scam risk that would have been most apparent to it.

Since 31 July 2023, when the FCA's new Consumer Duty came into force, there has been an obligation on firms to avoid foreseeable harm to customers. The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23) gives an example of foreseeable harm:

*“consumers becoming victims to scams relating to their financial products for example, due to a firm’s inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”*

This means a proportionate warning should ask a series of questions in order to try and establish the actual scam risk. And by September 2023 given the prevalence of job/task scams we'd expect a firm to have both questions and warnings tailored towards the key risks of those scams.

Of course, I can't know for sure what would have happened had Monzo intervened. So, in these situations I have to base my finding on what I think, on the balance of probabilities, is more likely to have happened, based on the evidence I have.

Had Monzo provided a tailored warning that highlighted the key hallmarks, then on balance, I think Mr A would most likely not have progressed with payment seven or the payment that followed. I say this as there is no evidence that Mr A had been coached by the fraudster, been provided with a cover story, or told not to be transparent about the income opportunity he was pursuing. So, I think it is most likely he would have honestly disclosed the reason for the payment(s) to Monzo, thus allowing it to identify the scam risk, warn him and prevent the scam progressing.

All things considered, I'm persuaded it is fair and reasonable that Monzo, at least in part, bears some responsibility for Mr A's loss from the point he made payment seven.

I have however, also thought about whether Mr A did enough to protect himself from the scam and whether he should carry some responsibility for his loss. While I accept Mr A believed that these payments were being made in connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one. There was no formalisation of the arrangement between him and the employer – for example, there was no written contract and indeed no clear setting out of the terms of his employment.

In addition to that, the arrangement was an inversion of the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around. As far as I can see, there wasn't really any attempt to explain this

uncommon arrangement. I also think the level of salary and commission being offered seemed inflated, considering the nature of the work that was being carried out.

So overall, I think Mr A is also responsible for some of his loss by way of contributory negligence. As such, I think it's fair and reasonable for Monzo to make a 50% deduction from the redress payable to Mr A.

I'm mindful that Mr A has said he was vulnerable at the time the payments were made. I recognise that Mr A has fallen victim to a scam and of the difficult personal circumstances that he was faced with. But I haven't seen anything to suggest that Monzo were made aware of any vulnerability factors or ought to have identified them, such that it should have known to take additional steps to protect Mr A.

I've also thought about whether Monzo could have done more to attempt to recover the payments after Mr A reported the fraud. However, as part of the scam, the funds were forwarded on to the fraudsters from the cryptocurrency exchanges that they were sent to. So once Mr A had done that, there would have been no prospect of Monzo being able to recover any of the money Mr A had sent.

### **Putting things right**

For the reasons given above, I uphold this complaint in part and ask Monzo Bank Ltd to:

- Refund Mr A £2,170 (being 50% of the value of the final two payments).
- Pay 8% simple interest per year on this amount, calculated from the date of loss until the date of settlement, minus any applicable tax.

### **My final decision**

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 January 2026.

Stephen Wise  
**Ombudsman**