

The complaint

Miss M complains that Monzo Bank Ltd won't refund the money she lost when she fell victim to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows:

Miss M says she was contacted by someone she now knows to be a scammer pretending to be an employee of Monzo on 31 October 2023. The scammer asked Miss M if she recognised a transaction on her account. When Miss M checked, she said she didn't. The scammer proceeded to tell Miss M that someone had taken out a loan in her name. Miss M was satisfied she was talking to an employee from Monzo as the scammer was sending authorisation codes to her phone.

The scammer told Miss M in order to remove the loan she needed to follow their instructions. The scammer instructed her to take out a loan with Monzo and transfer it to an account she held in her name with an electronic money institution (which I will refer to as account B), and from B on to the scammer. Miss M has stated she wasn't aware she had taken out a loan but simply followed the scammer's instructions.

Miss M followed the scammer's instructions and took out a loan with Monzo for £15,000 but she only transferred £11,250. Therefore, she was able to return £3,750 to Monzo. On 31 October 2023, she sent several payments to the scammer. The transactions appeared on Miss M's statement as follows:

Date	Payment Number	Transaction Type	Amount
31/10/2023	Payment 1	Faster Payment	£30
31/10/2023	Payment 2	Faster Payment	£490
31/10/2023	Payment 3	Faster Payment	£480
31/10/2023	Payment 4	Faster Payment	£510 (declined)
31/10/2023	Payment 5	Faster Payment	£510
31/10/2023	Payment 6	Faster Payment	£530
31/10/2023	Payment 7	Faster Payment	£550
31/10/2023	Payment 8	Faster Payment	£575

31/10/2023	Payment 9	Faster Payment	£590
31/10/2023	Payment 10	Faster Payment	£610
31/10/2023	Payment 11	Faster Payment	£630
31/10/2023	Payment 12	Faster Payment	£650
31/10/2023	Payment 13	Faster Payment	£675
31/10/2023	Payment 14	Faster Payment	£710
31/10/2023	Payment 15	Faster Payment	£730
31/10/2023	Payment 16	Faster Payment	£750
31/10/2023	Payment 17	Faster Payment	£760
31/10/2023	Payment 18	Faster Payment	£650
31/10/2023	Payment 19	Faster Payment	£550
31/10/2023	Payment 20	Faster Payment	£750
31/10/2023	Payment 21	Faster Payment	£30
31/10/2023	Payment 22	Faster Payment	£490 (declined)

Miss M complained to Monzo, but it said, as the payments sent from Monzo were sent to an account under Miss M's control, it wasn't at fault. It said the fraudulent payment was sent from B on to the scammer, so Miss M ought to complain to B. Ultimately, Monzo didn't reimburse Miss M's lost funds, and Miss M referred her complaint about Monzo to us.

Our investigator looked into the account and recommended it be partially upheld, but Monzo didn't agree. As the complaint couldn't be resolved informally, the case was passed to me for a decision.

I issued my provisional findings on 21 March 2025 where I said the following:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

In complaints where a customer says they have lost money to a scam, we would usually consider the following. Monzo would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Miss M is presumed liable for the loss in the first instance, in circumstances where she authorised the payment. That said, as a matter of good industry practice Monzo should take proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments.

When this service considers a complaint, we expect all parties to give, to the best of their abilities, an accurate account of what has happened, so that we might fairly and reasonably determine the outcome.

I accept due to the passage of time and the pressure Miss M was under at the time of the scam, that she may not recall all of the details. But there are a number of inconsistencies in what she said happened and, in my view, Miss M hasn't been able to reasonably explain a number of things which happened during the scam. As such, it's not possible for me to fairly conclude that it's more likely than not that Monzo did anything wrong.

I will give examples of this below.

Miss M has told our service that Monzo didn't intervene or carry out any checks when she applied for the loan. She said, the scammer "told me what to do and I did not realise I was taking out a loan."

However, Miss M has also told our service, when applying for the loan she selected 'home improvements' and this is supported by the loan agreement provided.

Our service asked Miss M what she thought she was doing if she wasn't aware she was taking out a loan (given the information and verification she would have needed to complete in order for the loan to be approved). Miss M has said:

"I was not aware I was taking a loan out, they made it clear that I need to take action and follow these steps."

Our service asked Miss M where she thought the money had come from when the loan entered her account to be transferred to B. Miss M said she was unsure but was in a state of panic. While I accept Miss M would have been in a state of panic and simply listening to the instructions of the scammer, I am not persuaded, due to the information Miss M would have provided and the verification checks required, that she was unaware she had taken out a further loan with Monzo.

As explained above, the scammer had told Miss M that someone had taken a loan out in her name and as such her Monzo account had become compromised. So, the purpose of the call was to assist Miss M in clearing the loan. However, Miss M opened an account with B and transferred the funds to B, an account in her own name. So, our service asked Miss M why she had been told to send her money to B, if the "loan which needed to be repaid" was with Monzo. Miss M initially didn't provide an explanation on why she opened an account with B, why she thought transferring the money to B would assist in her repaying the loan taken out in her name with Monzo, or the story the scammer told her about opening account B. However, after asking Miss M a further question on this she said she thought she was sending the money to Monzo. But this is contradictory to Miss M telling our service on 20 March 2024 that the account with B was in her name, and the scammer convinced her to open an account with B during the scam call. As such, I am not persuaded Miss M thought that B was an account with Monzo.

Monzo has provided evidence that Miss M asked to have a payment limit increase on 31 October 2023 and in order to do this Miss M had to send a video of herself for verification, which I have reviewed. When our service asked Miss about this and why she had requested it, she was unsure. I think on balance, given the fact Miss M has said she was on the phone to the scammer for the duration of the call, she would remember having to stop and send video verification of herself.

Given that the scammer had told Miss M she needed to repay the 'loan taken out on her

account' and the purpose of the call was to assist her with this, we asked Miss M why the scammer had told her to transfer the funds in segments and what her thoughts on this were. Miss M said:

"I can't remember exactly as it was over a year ago but I asked the scammer and they said this is how the process is to clear the loan off my name."

As I have said previously, while I accept Miss M was in a state of panic, I think it is reasonable to conclude, most people would question why they were having to transfer money to B (an account held in their own name which was newly created that day) in small segments to pay off a loan.

Having reviewed the transactions in dispute, there is an individual's name amongst those transactions. Given that Miss M has said she thought she was sending the money to an account with Monzo, our service asked Miss M who the individual was and why did she think she was sending money to him. Miss M said she didn't know who it was. Having reviewed the statement from B, I can also see card payments were sent to what appears to be a business. Upon asking Miss M why she made these transfers and asking why she thought she was sending money to them from B, she confirmed she didn't know who it was, and she thought she was clearing the loan taken out in her name. Given the way this transfer was made, I am not persuaded by Miss M's testimony.

Prior to the transactions in dispute, B has said it declined payments to a cryptocurrency exchange. As such, our service asked Miss M about these payments and asked her if she had an account with the cryptocurrency exchange (given the payments in question were card payments) and to provide her cryptocurrency statements, given the fact she would need to have an account with the cryptocurrency exchange in order to make the card payments.

Miss M said she didn't have an account with the cryptocurrency exchange, and she was most likely sending the money directly to the scammer's wallet. However, due to method of payment when these transactions were attempted (card payments) I am not persuaded M's testimony. As Miss M's card would need to be linked to her wallet to allow this payment to be made. Even if this was the case, Miss M would have had to take further steps with B to transfer her sterling to crypto and then send directly to the scammer's wallet. As

such, she would have been provided the wallet address of the scammer. Either way, given Miss M has consistently maintained she thought she was sending money to Monzo to clear the "loan" I think it's unreasonable to think she would have had to send her money to B and then onto a cryptocurrency exchange (either a wallet in her own name) or directly to a scammers wallet to pay back a loan with Monzo.

This isn't an exhaustive list of the inconsistencies in what Miss M said happened or of the actions of which she hasn't been able shed further light on. Miss M has been provided with opportunities to provide further clarity around the inconsistencies, but I remain unpersuaded by what she's told us. And, while I have taken into consideration Miss M was in a state of panic, given the level of inconsistency and limited explanation of events I can't fairly conclude that Monzo has done anything wrong. As such, it follows, I can't ask Monzo to do anything further."

As such, I concluded that my provisional findings was that I didn't uphold the complaint. Monzo didn't respond to my provisional findings. Miss M did respond and said she didn't agree with my provisional decision. However, Miss M didn't provide any further evidence or comments for me to consider.

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 provided any further comments or evidence for me to consider, it follows that my provisional findings remain the same, for the reasons I have explained above.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 7 May 2025.

Jade Rowe
Ombudsman