

The complaint

Mr O complains that Monzo Bank Ltd ("Monzo") 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 O is represented, but for ease of reading I will refer to Mr O throughout this decision.

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, I understand it to be as follows.

In or around July 2023, Mr O agreed to help with the immigration process for a family member, who was looking to relocate to the UK. They came across a website, which offered a job opportunity and assistance with the immigration process. As Mr O thought it looked legitimate, he made contact through the website, following which he was contacted by somebody through a well-known messaging app.

Mr O was told that it would cost just over £11,000 for the work visa fees. Believing everything to be genuine, Mr O went ahead and made payments, totalling £4,970, from his Monzo account, which he's said he opened directly for the purposes of sending this money. Alongside this, Mr O also made payments from an account he held with another payment service provider. But unknown to him at the time, Mr O was dealing with fraudsters and had sent his money to accounts the fraudsters controlled.

A breakdown of the payments Mr O made from his Monzo account are listed below;

Date	Time	Beneficiary	Amount
5 July 2023	9.52 PM	Payee 1	£500
5 July 2023	10:02 PM	Payee 1	£2,000
7 July 2023	5:09 PM	Payee 2	£470
7 July 2023	6:56 PM	Payee 2	£2,000

Mr O realised he'd been scammed, when he didn't receive the service that was promised, didn't receive a refund that he requested and contact with the fraudsters ceased.

Mr O raised the matter with Monzo. Monzo is not a signatory to the Lending Standards Board's Contingent Reimbursement Model (the CRM Code) but has agreed to adhere to the provisions of it. This means Monzo has made a commitment to reimburse customers who are victims of APP scams except in limited circumstances. Monzo didn't uphold Mr O's complaint.

Unhappy with Monzo's response, Mr O brought his complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld. In summary this was because he thought there was enough going on that Mr O ought to have had some concerns about the transactions he was making. Alongside this, he also didn't think a scam risk would have been apparent to Monzo.

Mr O didn't agree with our Investigator's view. As an agreement couldn't be reached, the complaint 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 in his submissions, Mr O has referred to other decisions issued by our service. But I would point out that, while on the surface complaints may seem quite similar, each complaint is determined by its own individual circumstances. Here, as I'm required to do, I've looked at the individual circumstances of Mr O's complaint.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account 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.

To begin with, Monzo has a primary obligation to carry out the payment instructions its customers give it. As a starting point, a customer will therefore be assumed to be liable for payments they have instructed to be made. There is no dispute that Mr O authorised these payments, albeit having been deceived into believing he was sending them for the purpose of obtaining a visa and securing a job for a family member. On the face of it, he is therefore liable for the resultant losses.

However, of particular relevance here, the CRM Code says that the victim of an APP scam such as this should be reimbursed unless the bank is able to establish that one (or more) of the limited exceptions to reimbursement can be applied.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that*:

- The customer ignored what the CRM Code refers to as an "Effective Warning" by failing to take appropriate action in response to such an effective warning
- The customer made payments without having a reasonable basis for believing that: the payee was the person the Customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate

**Further exceptions outlined in the CRM Code do not apply to this case*

I think Monzo has been able to establish that it may choose not to reimburse Mr O under the terms of the CRM Code. I'm persuaded one of the listed exceptions to reimbursement under the provisions of the CRM Code applies.

Did Mr O have a reasonable basis of belief?

I've thought about what Mr O has told us happened. Based on everything I've seen and been told; I'm not satisfied Mr O did have a reasonable basis for belief. I think there were a number of concerning factors here that ought to have made Mr O cautious and led him to complete more extensive research before making the payments he did.

I say this because;

- It doesn't appear that Mr O has carried out any research to confirm the firm/or individual he was dealing with were either qualified or regulated to provide the services they were offering.
- While I understand Mr O has said he was dealing with an individual. When considering the formal nature of the service being paid for, the receipt of visa sponsorship and employment, I think it is questionable as to why he was paying accounts held by multiple individuals, rather than to a firm that was clearly identifiable as offering these services.
- From the evidence I've seen, Mr O doesn't appear to have been provided with, nor asked for, any documentation from the fraudster, regarding the individual he was dealing with, nor regarding the actual job/visa he was making the payments for. Given the official nature of the service being provided, I think it would have been reasonable to have expected such documentation to be forthcoming.
- Alongside this, I don't think a legitimate individual or firm would ask for large sums of money upfront.
- As well as this I don't think it is typical for a legitimate firm/individual, particularly given the formal nature of the service requested here, to communicate through an informal messaging service.

I can understand how in isolation any one of these things may not have prevented Mr O from proceeding. But when taken collectively, I think there was enough going on here that Mr O ought to have acted far more cautiously than he did and should have had significant concerns about the transactions he was making. Overall, I find that Mr O ought to have done more to verify that the person he was dealing with was actually able to offer the services they were promising.

Effective warnings

I've gone on to think about whether Monzo did what was expected of it at the time Mr O made the payments. Good industry practice requires that regulated firms such as Monzo engage in the monitoring of customer accounts and to be on the lookout for suspicious or out of character transactions with an aim of preventing fraud and protecting customers from financial harm. And under the CRM Code, where it identifies a risk of a customer falling victim to an APP scam, it is required to provide that customer with an "effective warning".

We now know, with the benefit of hindsight, that Mr O was falling victim to a scam. But based on the information that was available to it at the time, I don't consider Monzo would've had any reasonable basis for believing that its customer was falling victim to an APP scam at the time the payments were made.

I say this because this was a recently opened account, which Mr O has explained was opened for the purpose of the scam, as such Monzo had very limited account history upon which it could compare activity. On balance, I don't consider the payments would have appeared as so unusual or suspicious. With this in mind, when considering the CRM Code, it wasn't required to provide its customer with an 'effective warning' – as defined by the CRM Code. So overall, I can't fairly or reasonably conclude that Monzo hasn't met its obligations under the CRM Code.

Vulnerability under the CRM code

Mr O has referenced the CRM Code's provision for vulnerable consumers. The CRM Code says that there are provisions under the Code which might lead to a refund, even when a customer doesn't have a reasonable basis for belief. The relevant part of the Code says:

'A Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered.'

So, I've considered whether there were vulnerabilities present at the time to such an extent that Mr O was unable to take steps to identify the scam he fell victim to or to recognise steps he might take to test the legitimacy of what he was being told by the fraudster. To do so I must consider the details of the scam, Mr O's actions throughout, and the wider circumstances of what was happening.

Having thought about this carefully, on balance I think there is evidence within the circumstances that suggests he was capable of taking steps to protect himself from fraud and financial harm. That is to say there was more he might reasonably have done that would have led to the scam being uncovered.

Mr O says that he had 'limited knowledge of the immigration process'. But I'm persuaded that given Mr O had offered to help out his family and, as I understand it had previously come to the UK on a visa himself, I think he reasonably ought to have had some understanding of how the process was supposed to work.

The evidence also suggests that, at least to some degree, Mr O had carried out some research to identify the website that he contacted. Given the formal nature of the service Mr O and his family member were looking for, I don't think it's unreasonable to have expected that research to have extended further than it did and, importantly, I've not seen any evidence to suggest that it would be unreasonable to have expected Mr O to have done this and in doing so protected himself from the particular scam he fell victim to. I've not seen any evidence to suggest Mr O didn't have the capacity and understanding to query the legitimacy of what was being offered.

Recovery

Finally, I have considered whether Monzo did all it could to try and recover the money Mr O lost.

It wasn't until several months after the payments were made that Mr O raised this matter with Monzo. So, it was unlikely that there would have been a realistic prospect of success with any recovery attempt. Sadly, it is common for fraudsters to withdraw or move the money on as quickly as possible – which appears to have been the case here, with evidence from the beneficiary banks (the banks to which the money was sent), showing that funds left the accounts soon after being received.

All things considered, I don't find that Monzo is liable to refund Mr O under the terms of the CRM Code. In saying this, I want to stress that I am very sorry to hear about what happened to Mr O and I am sorry he has lost out here. He was the victim of a cruel scam designed to defraud him of his money. I appreciate that he's lost out because of what happened.

But I can only look at what Monzo was and is required to do and I'm not persuaded that Monzo is required to refund him under the CRM Code, nor that the bank was at fault in making the payments Mr O had instructed it to make or for any other reason.

My final decision

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 Mr O to accept or reject my decision before 29 September 2025.

Stephen Wise
Ombudsman