

The complaint

Mr M complains that Monzo Bank Ltd won't reimburse money he says he lost to a scam.

What happened

In early January 2023, Mr M was looking for a new job. I understand that he needed to secure a job and sponsorship in order to extend his visa following the completion of his studies.

He contacted someone ("Mr B") who represented a limited company ("Company B"). He says that Mr B told him Company B could provide a job, but he would need to pay £2,500 for training. In messages between him and Mr B, I've seen that the payment was described as being for a 'job consultation'.

In May 2023 he paid this amount. Mr M says he expected to receive additional information and paperwork setting out the details of the training and employment. This didn't happen. Mr M says he was then told that the details would be provided in December 2023 (after Mr M graduated). That didn't happen either and by January 2024 Mr M asked for a refund. He said that if his visa wasn't arranged soon, he'd need to pay an Immigration Health Surcharge (which was introduced in February 2024).

He initially contacted Monzo in February 2024 to report what had happened, but limited communication continued with Mr B and he received a partial refund of £1,000 in July 2024. In October 2024 Monzo issued a final response letter in relation to a number of customer service points that Mr M had raised. It acknowledged that there had been a number of customer service failings and paid him £200 to reflect this. It didn't give him an answer on his fraud complaint.

Mr M referred the matter to our service, but one of our investigators didn't uphold his complaint. They noted that Monzo had agreed to adhere to the Lending Standards Board's Contingent Reimbursement Model Code ("CRM Code") that required firms to reimburse victims of APP scams in all but a limited number of circumstances. However, they concluded that Mr M was involved in a civil dispute with Company B, rather than being the victim of a scam.

Mr M disagreed. In summary he submitted that:

- There was clear evidence that Company B was operating a scam, the director has been named as a fraudster online.
- The partial refund was simply a delaying tactic to give the fraudster more time to defraud other people.
- The investigator put too much weight on the existence of Company B on Companies House and a few fake online reviews.
- Monzo's failure to act quickly when he reported the fraud may have given Mr B more time to move his funds on.

- He wasn't given enough time to recover evidence from a damaged mobile phone.
- Monzo's actions had a big impact on his mental health and he lost out on the opportunity to be involved in a clinical trial, which would have provided him with free treatment and £3,000.

As no agreement could be reached, the case was 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 sorry to hear about what's happened to Mr M, but I don't think Monzo is responsible for his loss. I'll explain why.

There's a dispute here about whether Mr M fell victim to a scam or not. That's important because only APP scams are covered under the CRM Code, not 'civil disputes'.

Under the CRM Code, an APP scam is defined as:

“a transfer of funds executed across Faster Payments, CHAPS or an internal book transfer, authorised by a Customer in accordance with regulation 67 of the PSRs, where:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”*

Private civil disputes are excluded from the CRM. They are defined as:

“private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier”

So, to conclude that Mr M has been the victim of a scam, I must be satisfied that Mr B's actions were criminal in nature and he set out to fraudulently deceive Mr M. And it isn't for me or Monzo to demonstrate that Company B or Mr B *didn't* defraud him. It's for Mr M to show that they did.

An issue for Mr M is that he's unable to show exactly what was agreed between him and Mr B. The only contemporaneous evidence of that agreement suggests that Mr M would be provided with a 'consultation', rather than the specific training and guaranteed job that Mr M suggests. Mr M makes the point that he wouldn't pay such a significant sum of money simply for advice (that he could obtain elsewhere for free). I agree, clearly there was more to this arrangement than simply providing a consultation.

In response to our investigator's view, Mr M provided evidence that Mr B has been 'named and shamed' both online and during a protest as someone (along with a number of other individuals) who is responsible for carrying out Certificate of Sponsorship ("CoS") 'scams'.

CoSs can be issued by providers registered with the Home Office. They allow an employer to employ someone from overseas. The employee obtains the right to work in the U.K. As far as I understand it has never been permissible to charge an employee for a CoS and since earlier this year an employer has not been allowed to pass on any of the costs associated with the CoS to the employee.

Despite this, and as the material referenced by Mr M suggests (as well as a huge amount of other content found online), there is a thriving market for the sale of CoSs both by middlemen and, potentially, registered providers.

Although it is not Mr M's testimony that he paid for a CoS, given the vagueness of the arrangement between him and Mr B, the lack of any paperwork *prior* to the payment (as might be expected) and the evidence he's provided linking Mr B to CoS scams, it seems likely that Mr B promised to provide a CoS and that's what at least some of the fee Mr M paid was for.

But I can't hold Monzo responsible just because Mr B might have been doing something he shouldn't have been doing. Instead, Mr M needs to show that Mr B never intended to provide what it promised. If it's at least as likely that Mr B could and did intend to provide what was promised, I can't uphold this complaint.

As noted, Company B is a registered and seemingly active company, Mr B is associated with a number of mostly similarly named companies and, perhaps most importantly, Company B does appear on the Home Office's "Register of Worker and Temporary Worker Licensed Sponsors". So the evidence suggests that Mr B *could* have provided what Mr M was likely promised.

I've also noted that Mr B did provide a refund of some of Mr M's money. As Mr M suggests, that *could* have been a tactic to ensure the fraud wasn't reported. But it's far from typical for a fraudster to do that and doesn't do anything to support the claim that Mr B never intended to provide the services. Ultimately, it significantly reduced the benefit Mr B would receive from the alleged scam.

I accept, based on the evidence provided by Mr M, that other people have identified Company B's director as being involved in 'scams'. But I can't put a great deal of weight on this. First, it's not clear whether the scam being alleged is that significant sums were charged for a CoS (which would be against the rules) or that Mr B didn't provide the CoS at all, or both. In all cases, these reports amount to little more than other people reporting that they didn't receive a service from Mr B. It doesn't provide any insight as to why that was.

In addition, the financial business that received Mr M's money doesn't appear to have wider concerns about the account he paid. And while Mr M has reported the matter to Action Fraud and an associated body (both of which are reporting, rather than investigative, bodies), there's no evidence that there is a police investigation into Mr B. It's also not clear that Mr M has attempted to pursue Company B through the courts.

Unfortunately there's a number of reasons why Company B might not have been able to provide the services promised and it's at least as likely that Mr B intended to provide those services but subsequently either found out that he couldn't or decided not to. Neither circumstance would fit the definition of a scam set out above. There's simply very little evidence to suggest Mr B never intended to provide the services.

Because of that, I can't be satisfied that Mr M has fallen victim to a scam and I can't ask Monzo to reimburse him or compensate him for any of the losses he says he suffered.

I'm sorry Mr M has lost out here and it's obviously had a big impact on him. I don't doubt that he has lost money and not received what he paid for. I also recognise that he was at the mercy of potentially unscrupulous individuals who, whether they intended to provide a service or not, charged him a significant sum of money for a service which I'm not sure he should have had to pay for at all.

Finally, and taking into account my overall finding that Monzo aren't responsible for Mr M's loss, I think it has fairly compensated him for customer service issues he faced. Although I understand that Mr M has suffered considerable stress due to the situation, and that hasn't been made any easier due to Monzo's actions, I'm not persuaded that being told that he would not be reimbursed at an earlier point would have made a significant difference to the distress suffered by Mr M. In other words: I think the loss of his money, as well as the potential impact on his visa, is the main source of his distress. I also wouldn't generally expect Monzo to attempt to recover his money in circumstances where it was not satisfied that he had fallen victim to a scam. Despite this, it did try to recover his money but the funds had left the beneficiary account long before Mr M first reported the matter to Monzo.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 October 2025.

Rich Drury
Ombudsman