

## The complaint

Mr C complains that Monzo Bank Ltd (Monzo) is refusing to refund him the amount he lost as the result of a scam.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr C tells us that he received a text message from a courier service prompting him to pay a small fee to have a parcel he was expecting delivered after a failed delivery attempt. As Mr C was expecting a delivery, he made the requested payment using his Monzo debit card.

Mr C then received a call which appeared to be from the Financial Services Compensation Scheme (FSCS). Mr C was encouraged to check the FSCS website and the number he had been called from appeared to match.

The called explained to Mr C that his bank account had been hacked via the link he had been sent from what he thought was a legitimate courier service. Mr C was put in touch with his account providers and told that to protect his funds he should move money from accounts he held elsewhere to his Monzo account.

Mr C was then told that the scammer was attempting to take out a loan in his name, he was advised to take out a loan, and then to accept other payments as part of the process to stop the scam.

Mr C had fallen victim to a scam and unwittingly sent his funds to the scammer.

Mr C has disputed the following payments:

Payment	Date	Payee	Payment Method	Amount
1	7 April 2024	WORLDREMIT LTD. LONDON GBR	Debit Card	£2,999.99
2	7 April 2024	WORLDREMIT LTD. LONDON GBR	Debit Card	£3,999.99 (refunded)

Our Investigator considered Mr C's complaint and didn't think it should be upheld. Mr C disagreed, so this complaint has been passed to me to decide.

## 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.

It has not been disputed that Mr C has fallen victim to a cruel scam. The evidence provided by both Mr C and Monzo sets out what happened. What is in dispute is whether Monzo should refund the money Mr C lost due to the scam.

### *Recovering the payments Mr C made*

Mr C authorised payments into the scam via his debit card. When payments are made by card the only recovery option Monzo has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid and potentially succeed. Time limits also apply.

The payments made in relation to the scam were not sent to the scammer directly, and the payee is likely to be able to show that services were provided in exchange for the payments that were made even if they were not received by Mr C. So, any attempt at a chargeback would have no chance of success.

### *Should Monzo have reasonably prevented the payments Mr C made?*

It has been accepted that Mr C authorised the payments that were made from his account with Monzo. So, the starting point here is that Mr C is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Monzo should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

The first payment Mr C made in relation to the scam was made after he received funds from a loan. I don't think it's uncommon that loans are taken for a specific purpose, so sending these funds on shortly after they were received wouldn't necessarily give Monzo cause for concern. The value of the payment was also not so significant that I would have expected it to have triggered Monzo's fraud prevention systems prompting it to intervene.

I also think that being asked to agree to a loan to prevent Mr C's loss should have caused Mr C concern and he should have taken further steps at this point to confirm the request was legitimate.

Payment 2 was for a more significant value, and I think this should have caused Monzo to have concerns. Monzo has refunded this payment to Mr C, so I don't need to consider this further.

With the above in mind I don't think Monzo is responsible for the remainder of Mr C's loss, so it is not required to make any further refund.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 October 2025.

Terry Woodham  
**Ombudsman**