

The complaint

Miss C complains that Monzo Bank Ltd won't refund the money she lost when she was the victim of what she feels was a scam.

What happened

In August 2024, Miss C was trying to organise an event and so contacted a promotor about hiring a venue. The promotor said they had a suitable venue available. And, after visiting the venue and agreeing a contract with the promotor, Miss C decided to go ahead and made two payments from her Monzo accounts to pay a deposit for the venue.

I've set out the payments Miss C made from her Monzo accounts below:

Date	Details	Amount
29 August 2024	From personal account	£600
6 January 2025	From business account	£400

In January 2025, Miss C confirmed some details about how alcohol was to be provided for the event. The promotor said the venue wouldn't accept those arrangements and, as they couldn't reach an agreement, Miss C asked to cancel the venue. But the promotor then didn't return the deposit Miss C had paid, so she felt she had been the victim of a scam and reported the payments she had made to Monzo.

Monzo investigated but said it felt this was a civil dispute between Miss C and the promotor, rather than a scam. It paid her £25 as compensation for poor customer service it provided when she raised her claim. But it didn't agree to refund the payments she had made. Miss C wasn't satisfied with Monzo's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the circumstances here met the definition of a scam. So they didn't think Monzo had acted unreasonably in refusing to refund the payments Miss C had made. Miss C disagreed with our investigator, so the complaint has been passed to me.

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.

Having done so, I don't think it would be fair to require Monzo to refund the payments Miss C has complained about here. I'll explain why below.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises it to make. However, where the customer made the payments as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payments.

Is Miss C entitled to a refund under the CRM code?

The Lending Standards Boards Contingent Reimbursement Model (the CRM code) was a voluntary code which Monzo said it was committed to applying the principles of. This code was in place when Miss C made the first payment here, of £600 on 29 August 2024, and required firms to reimburse customers who had been the victim of certain types of scams, in all but a limited number of circumstances. But customers were only covered by the code where they had been the victim of a scam – as defined in the code.

The relevant definition of a scam from the CRM code is that the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

The CRM code also says it doesn't apply to private civil disputes, such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.

So in order to determine whether Miss C has been the victim of a scam as defined in the CRM code I need to consider whether the purpose she intended for the payment was legitimate, whether the purposes she and the promotor intended were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of the promotor.

From what I've seen, I'm satisfied Miss C made the payment here with the intention of hiring a venue for her event. And I haven't seen anything to suggest she didn't think this was legitimate.

But I'm not satisfied the evidence I've seen shows that the promotor intended a different purpose for the payment, or that Miss C's and the promotor's purposes for the payment weren't broadly aligned.

I appreciate that Miss C wasn't able to hire the venue as she had initially intended, and that she feels the promotor and the venue didn't act in line with the contract she had agreed by not agreeing to the alcohol arrangements or providing her with a refund when she asked to cancel the hire. But individuals can fail to provide services they have agreed to or fail to act in line with agreed contracts for a number of reasons, that don't necessarily mean they were operating a scam. So this, by itself, isn't enough to say Miss C has been the victim of a scam.

Miss C says she first contacted the promotor after coming across them on a website for finding venues for events. And this website appears to be a legitimate marketplace for people to find venues for events. The venue Miss C intended to hire has also confirmed that it has worked with the promotor in the past. So I think this suggests the promotor was operating legitimately.

Miss C was also able to view the venue in-person before agreeing to hire it, which I wouldn't necessarily expect someone operating a scam to be able to arrange. After the issues arose in relation to the alcohol arrangements, the promotor also offered several alternatives to allow the hire to go ahead and offered to make an alternative booking in the future, which I also wouldn't necessarily expect from someone intending to operate a scam.

The issues in relation to the alcohol arrangements only came up following information Miss C provided to the promotor, and I don't think there is any clear evidence that the promotor didn't intend to proceed with the hire or that the hire wouldn't have happened if these issues hadn't come up. The issues relating to the alcohol arrangements also sound like plausible

concerns a venue could have, and I don't think they suggest either the promotor or the venue never intended to go ahead with the hire.

The bank the payment was made to has also told us it hasn't received any other scam reports against the account. But scammers usually target a number of people at once, in order to make as much money as possible before the scam is uncovered. So I'd expect to see other scam reports to the same account around the same time if the promotor was operating a scam.

I've also seen evidence relating to the account the payment was made to, and while I can't share any details of this evidence, I think it shows the account appears to have been run at the time as I would expect a legitimate business' account to have been run and doesn't suggest it was being used to operate a scam.

I also haven't been provided with evidence of any investigation by an external organisation which concludes that the promotor was operating a scam in relation to the payment Miss C has complained about.

Miss C has provided correspondence from the venue, saying it didn't have her details and no booking was made for her event on the date she had agreed with the promotor. And I recognise that this could suggest the promotor never intended to arrange the hiring of the venue for her. But there are also a number of other possible explanations for this which don't suggest the promotor intended to scam her, including an administration error or that the details of the booking were to be confirmed with the venue at a later date. As I mentioned above, the venue also confirmed that it had worked with the promotor previously. I therefore don't think this correspondence from the venue is enough to suggest the promotor was operating a scam.

So I'm not persuaded that the available evidence is sufficient to safely conclude that the purpose the promotor intended for this payment was different than the purpose Miss C intended. And so I think Monzo has acted reasonably in saying the circumstances here don't meet the definition of a scam from the CRM code, and in not agreeing to refund this payment as a result.

Is Miss C entitled to a refund under the ASR rules?

The Payment Systems Regulator introduced the APP Scam Reimbursement (ASR) rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances. So these rules were in place when Miss C made the second payment here, of £400 on 6 January 2025. But these rules also only apply where the customer has been the victim of an APP scam, which the rules define as:

“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer's Relevant account to a Relevant account not controlled by the Consumer, where:

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended”*

The rules also specifically outline that private civil disputes are not covered. And a private civil dispute is defined in the rules as:

“a dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

“Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”

It also provided an example of a civil dispute:

“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”

So in order to determine whether Miss C has been the victim of a scam as defined in the ASR rules, I need to consider whether this second payment was made for the purpose she intended and then, if it wasn't, whether this was the result of fraud or dishonesty on the part of the promotor.

But, for the same reasons I explained above in relation to the payment covered by the CRM code, I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the promotor intended for this payment was different than the purpose Miss C intended, or that the payment wasn't made for the purpose Miss C intended.

And so I think Monzo has acted reasonably in saying the circumstances here don't meet the definition of a scam from the ASR rules, and in not agreeing to refund the money Miss C lost from this second payment.

I also don't think there are any other grounds on which it would be fair and reasonable to require Monzo to refund the payment Miss C made here.

I sympathise with the position Miss C has found herself in and I appreciate that she has lost a significant amount of money. I'm also in no way saying she did anything wrong or that she doesn't have a legitimate grievance against the promotor. But I can only look at Monzo's responsibilities and, for the reasons I've explained above, I don't think it would be fair to require Monzo to refund the payment she has complained about here.

Monzo has paid Miss C £25 as compensation for incorrect information she was given while raising her scam claim. And I think this is fair and reasonable compensation for the distress and inconvenience this poor customer service caused her. So I don't think it would be fair to require Monzo to pay anything further.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 15 January 2026.

Alan Millward
Ombudsman