

The complaint

Miss M complains that Monzo Bank Ltd won't reimburse her after she made payments for home renovation supplies that were never provided – which she now considers to have been part of a scam.

What happened

The circumstances of this complaint have been set out in some detail by our Investigator so I won't repeat them here. But briefly, both parties accept that in around July 2024, Miss M made contact with a construction company (which I'll refer to as 'B') that she'd found online regarding the installation of some internal doors and frames.

B installed some doors (although didn't complete the work by adjusting the doors correctly) and at the same time, measured Miss M's front door in order to provide a quote for a bespoke front door and door handles. Miss M paid £530 in total as a deposit for the door and the handles and a date was agreed by which the work would need to be completed. However, the door and handles never materialised and after initially providing reasons for delays, B ended further communication with Miss M.

Believing she'd fallen victim to a scam, Miss M contacted Monzo to raise a claim. Monzo considered the claim but didn't think it was liable to reimburse her as it determined this was a civil matter between Miss M and B.

Miss M disagreed and referred her complaint to our service. An Investigator initially upheld Miss M's complaint and recommended Monzo reimburse Miss M in full. However, this was overturned by a second Investigator, who didn't think there was sufficient evidence to conclude that B had intended to defraud Miss M from the outset, rather than this being a civil issue between the parties.

Miss M disagreed with the investigator. She said that B was no longer physically registered at the address listed on Companies House and there was an active proposal to strike B off the register (and I've seen that B has since dissolved). She's also explained she considers this to be a scam as the payments she's disputing were purely for goods that never materialised.

As Miss M disagreed with the investigator's view, the complaint has been referred 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 very sorry to hear of the position Miss M has been left in. She's paid out a considerable amount of money and hasn't received the goods these payments related to.

I also understand that Miss M has contacted Action Fraud, but to my knowledge, it hasn't so far taken further action against B.

Based on everything I've seen, it seems hard to argue other than that B has breached its contract with Miss M. But I'm not deciding a dispute between Miss M and B – I don't have the power to look into a complaint about B. My role is limited to deciding the dispute between Miss M and Monzo.

Of course, Monzo didn't contract with Miss M for the works she wanted completed, and I can't hold it responsible for any breach of contract or other failings on B's part. As a starting point in law, Miss M is responsible for payments she's instructed Monzo to make. Unfortunately, there's little protection available to her for bank transfer payments, like these were.

There are a number of potential reasons (other than an APP scam) for a breakdown in a relationship between two parties and for such a dispute to exist. And unfortunately, businesses (such as B) can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

In order to determine that this was an APP scam, I'd need to be satisfied that it's more likely than not that the very purpose for which B procured the payments from Miss M was different to what Miss M believed due to dishonest deception. I don't dispute that it *is* possible that this is what happened here – and I can certainly understand why Miss M would feel this way, based on the lack of contact following the later payments.

However, I also have to bear in mind that B did attend Miss M's home and provide a service for her relating to earlier payments – and it was only at this point that B provided a quote for further work. So while it's not unheard of for fraudsters to complete some work as an inducement for further payments, it doesn't seem likely that's what happened here – as further payments weren't ever guaranteed when the initial work was being carried out. I accept the work wasn't completed and wasn't to a suitable standard, but I consider that to be an issue with skill, rather than an intent to defraud.

It is of course possible that B accepted payment to purchase Miss M's door and handles with no intention of ever doing so, but I also can't rule out other possibilities, such as financial mismanagement or supply issues that caused the goods to never materialise. The problem is that I only have Miss M's version of events, and so determining any certainty around B's intentions is difficult without more definitive evidence. I've also seen that B was incorporated several years prior to Miss M enlisting its services. If B was set up with the intention to scam, I would expect to find more evidence online of negatively impacted customers.

Additionally, our service has reached out to the beneficiary account that received Miss M's funds. While the account provider has provided our service with information – it has done so in confidence. It has provided that which is necessary for the determination of this complaint to allow us to discharge our investigatory functions. Due to data protection laws, our service can't share any information about the beneficiaries, the receiving bank accounts or any investigation and action subsequently taken. However I would like to assure Miss M that I have thoroughly reviewed and considered all the information provided before reaching my decision.

Having done so I don't think the account use supports an allegation that B set out with intent to defraud Miss M, based on a lack of other claims made against the account in the time it was open. It seems no authoritative bodies have so far taken proceedings further against B – and for our service to do so it would mean deciding that the available evidence

demonstrates B set out to defraud Miss M here with criminal intent. That is a high bar to meet.

All things considered, I simply can't safely conclude that B took Miss M's money without ever having any intention of carrying out the work she paid for. The evidence available to me simply isn't enough to support such a finding.

I appreciate how frustrating and disappointing this answer will be. Miss M has lost a lot of money as a result of B's failure to complete the agreed work. But I can't exclude the possibility that B entered the agreement in good faith, intending to fulfil the work and then was unable or unwilling to fulfil the agreement for some reason. The evidence doesn't allow me to conclude it's more likely than these alternative possibilities that B intended to steal her money from the outset and never had any intent of providing the goods agreed to.

That means that I can't fairly hold Monzo responsible for the loss suffered here. It also means I find Monzo had no ability or obligation to try and recover Miss M's money.

In saying all of this, I don't underestimate the impact this whole matter has had on Miss M – I am sorry she has lost out through no fault of her own. It does seem her trust in B was misplaced and she's been badly let down. But that fault lies with B, not with Monzo. And it's simply the case that I can't fairly tell Monzo to pay her the money she's lost, because I don't think Monzo has treated Miss M unfairly or was otherwise at fault here.

I agree with Miss M that Monzo ought to have handled her initial claim better when she first reported the scam and I can imagine this caused further frustration to Miss M. However, as ultimately Monzo couldn't have done anything to reimburse her, I don't think it needs to compensate her for this failing.

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 Miss M to accept or reject my decision before 23 December 2025.

Kirsty Upton
Ombudsman