

## The complaint

Mr N is unhappy Monzo Bank Ltd will not refund the money he lost as the result of a scam.

Mr N brought his complaint to this service through a representative. For ease of reading, I will refer solely to Mr N in this decision.

## What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Mr N fell victim to a job/task scam. He was contacted via WhatsApp and offered the opportunity to complete tasks (ranking tourist attractions) to earn commission. He was told that to access the tasks she first needed to send funds. So he made the following payments by debit card to a wallet in his name at a cryptocurrency exchange and from there he sent the funds onto the scammer.

payment	date	time	value, £
1	01-Jan-25	19:49	0.10
2	01-Jan-25	19:53	0.10
3	01-Jan-25	19:56	0.10
4	01-Jan-25	20:03	51.50
5	01-Jan-25	21:05	47.38
6	02-Jan-25	16:18	102.99
7	02-Jan-25	17:05	97.84
8	02-Jan-25	17:13	42.23
9	03-Jan-25	16:42	205.98
10	03-Jan-25	17:00	280.13
11	03-Jan-25	17:38	673.55
12	03-Jan-25	18:07	865.12
decline	03-Jan-25	19:45	865.12
13	03-Jan-25	19:50	872.33
14	03-Jan-25	20:58	720.93
credit	03-Jan-25	20:58	-720.93
15	03-Jan-25	21:00	720.93
credit	03-Jan-25	21:00	-720.93
16	03-Jan-25	21:02	720.93
17	03-Jan-25	21:03	731.23
18	03-Jan-25	21:04	782.72
19	03-Jan-25	21:04	823.92
credit	03-Jan-25	21:05	-823.92
20	03-Jan-25	21:05	823.92
credit	03-Jan-25	21:05	-823.92

21	03-Jan-25	21:06	823.92
credit	03-Jan-25	21:06	-823.92
22	03-Jan-25	21:12	823.92
credit	03-Jan-25	21:12	-823.92
decline	03-Jan-25	21:14	823.92
23	04-Jan-25	12:54	823.92
24	04-Jan-25	13:06	844.52
decline	04-Jan-25	13:15	435.65
25	04-Jan-25	13:17	411.96
credit	09-Jan-25	02:43	-0.10
credit	09-Jan-25	02:48	-0.10
credit	09-Jan-25	03:53	-0.10

Mr N realised he had been scammed as the 'customer service' team became hostile when he was trying to understand his negative account balance. He says he then carried out a professional fraud check and his fears were confirmed.

Mr N says Monzo did not do enough to protect his money, Monzo says the payments were not suspicious so it had no reason to intervene, plus it was not the point of loss.

Our investigator upheld Mr N's complaint in part. He said Monzo ought to have intervened at payment 16 and would most likely have broken the spell of the scam. But as Mr N was also negligent the liability for the losses from this point onwards should be shared between the parties equally.

Mr N accepted this assessment. Monzo did not and asked for an ombudsman's review. It said the selection of payment 16 appears arbitrary, and it sees no compelling rationale as to why this specific transaction should be treated differently from the preceding ones. There was no material change in value, pattern, or recipient at this point to suggest heightened risk. There is no regulatory requirement for banks to intervene or block crypto-related payments. The payments were not made in quick succession in a way that would have suggested escalating risk or scam activity. There was limited use of the account previously so there was no 'typical activity' as a point of comparison. And Mr N was moving money to a wallet in his own name reducing any risk.

### **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.

To note, as the payments were made by debit card and to an account in Mr N's name the Faster Payment Scheme's (FPS) mandatory reimbursement rules for APP scams are not applicable.

There's no dispute that Mr N made and authorised the payments. I don't dispute Mr N was scammed and he wasn't making payments for the reason he thought she was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017. However it doesn't end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that by January 2024 Monzo should fairly and reasonably have:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving, including the use of multi-stage scams involving cryptocurrency, and the different risks these can present to consumers, when deciding whether to intervene.

In this context I find Monzo can be held liable in part for Mr N's losses from payment 16 onwards. I'll explain why.

By payment 16 I think there were enough characteristics of potential fraud that Monzo needed to make an intervention and provide Mr N with a tailored warning. I say this as it took his cumulative spend on cryptocurrency to a level which, given he had never previous bought crypto, ought to have been concerning. It was also his third payment attempt within four minutes – so in quick succession – and his ninth payment attempt to that beneficiary on that day. And the evolving trend was of payments that were increasing in value.

Monzo argues that the beneficiary was a legitimate cryptocurrency exchange, saying hundreds of its customers transact with legitimate crypto providers daily without issue, and it is neither proportionate nor feasible to intervene on every crypto transaction. But that is not what the finding is here – I have not found it needed to intervene in the earlier, lower value payments. But by payment 16 there were risk indicators, as set out above. And the activity was out of character for the account that had been open since June 2024 but rarely used, and never with multiple payments in one day.

This means I need to decide what the impact of a proportionate intervention would most likely have been.

Since 31 July 2023, when the FCA's new Consumer Duty came into force, there has been an obligation on firms to avoid foreseeable harm to customers. The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23) gives an example of foreseeable harm:

*“consumers becoming victims to scams relating to their financial products for example, due to a firm's inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”*

This means a proportionate warning should ask a series of questions in order to try and establish the actual scam risk. And by January 2025 given the prevalence of job/task scams we'd expect a firm to have both questions and warnings tailored towards the key risks of those scams.

Had Monzo done this I have found no reason to think Mr N would not have answered honestly. There is no evidence from the scam chat that the scammer had given Mr N a cover

story to use with the bank. And Mr N's unease is evident - prior to making payment 16 he tells other members of the WhatsApp group that he has doubts about the 'job'. On 1 January 2025 Mr N says, 'it looks too easy to be true' and that he was 'a bit suspicious' about the initial contact he received. On 2 January 2025, Mr N also states, 'I'm not 100% confident yet' and on 3 January 2025, Mr N says 'this has red flags all over it'.

So in this case I am satisfied that a warning that referenced the hallmarks of job/tasks scams (for example - unsolicited contact, commission rates that were too good to be true, 'training' from other 'employees' on WhatsApp, mandatory upfront payments with no documentation explaining how they would be reimbursed) would have resonated with Mr N and confirmed his doubts. So he would most likely have made no further payments.

This means I find it is fair to hold Monzo liable in part for the loss from payment 16 onwards.

*Should Mr N bear some responsibility for the overall loss?*

I've considered carefully whether Mr N should hold some responsibility for her loss by way of contributory negligence. Accepting that he is not the fraud expert - that is the role of Monzo, I do think he missed some clear signs that the opportunity might not be legitimate. Having to pay money upfront to do a paid job is unusual and should have raised Mr N's suspicions, particularly as it seems Mr N had no contractual terms of employment to review and accept, nor was there any documentation setting out the terms of the upfront payments. And to have to make such payments in cryptocurrency should also have been a red flag.

In the round, I have not seen that Mr N carried out an adequate level of independent checks to address these anomalies before going ahead despite his evident unease. It follows I think the parties are equally liable.

I am therefore instructing Monzo to refund 50% of Mr N's losses from payment 16 onwards. I note payments 19-22 did not cause any financial loss to Mr N as they were immediately reversed so they should be excluded.

*Did Monzo do what it should to try to recover Mr N's money?*

As the payments were made by debit card the opportunity to recover the funds would be through the chargeback scheme. But I don't consider that any chargeback claims would have had any prospect of success. There would have been no valid chargeback right given there is no dispute that the funds appeared in Mr N's digital wallet at the cryptocurrency exchange – so it in essence provided the service it 'sold' to Mr N. This means I can't say there was any failing in this regard on Monzo's part.

## **Putting things right**

Monzo must:

- Refund 50% of payments 16 onwards (excluding payments 19 to 22)
- Pay interest on the above amount at the rate of 8% simple per year from the date of each payment to the date of settlement.\*

\*If Monzo considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr N how much it has taken off. It should also give Mr N a tax deduction certificate if he asks for one.

I have found no grounds to make the additional compensatory award of £300 that Mr N asked for.

**My final decision**

I am upholding Mr N's complaint in part. Monzo Bank Ltd must put things right as set out above. .

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 8 October 2025.

Rebecca Connelley  
**Ombudsman**