

## The complaint

Miss M complains that Monzo Bank Ltd ('Monzo') won't refund her the money she lost after she fell victim to a scam.

In bringing her complaint to this service Miss M is represented, but for ease of reading I will refer to Miss M throughout this decision.

## What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around November 2024, Miss M was contacted about a job opportunity, after she'd filled out her details online for a vacancy she'd seen. She was told the job involved carrying out tasks online, to help merchants by improving reviews and comments about their products. For this she was told she would earn a salary and a commission. Believing everything to be genuine Miss M proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Miss M to pay her own money in order to proceed with the work.

To facilitate the payments, Miss M sent money to a cryptocurrency account in her own name, with the funds subsequently being moved onto accounts that the fraudsters controlled.

A breakdown of the relevant transactions made through Miss M's Monzo account is listed below:

Payment	Date	Time	Amount
1	17/11/24	11:35	£50
<i>credit</i>	17/11/24		£138.10
2	18/11/24	13:14	£290
3	18/11/24	15:26	£90
4	19/11/24	08:52	£590
5	19/11/24	09:12	£12
6	21/11/24	12:33	£1,376
7	29/11/24	17:56	£2,400
8	02/12/24	12:50	£1,505
9	02/12/24	12:59	£50
10	09/12/24	10:22	£62
		Total Loss	£ 6,286.90

Miss M realised she'd been scammed when she was unable to withdraw her earnings, and she was asked to make additional payments.

Miss M raised the matter with Monzo, but it didn't uphold her complaint. In summary, it said the scam payments were not directly taken from Miss M's Monzo account, as such it didn't think it was responsible for her loss. Monzo added that it did block a payment Miss M made, payment two in the table above (a payment for £290 on 18 November 2024) – but this was not due to scam concerns, rather it was for different verification purposes. Monzo said that during this conversation Miss M had told it the payment was for an investment strategy, and she didn't indicate that the payment was related to a job opportunity.

Unhappy with Monzo's response, Miss M brought her complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld. In summary, she didn't think Monzo had missed an opportunity to prevent Miss M from losing her money.

As Miss M didn't agree with our Investigator's view, the complaint was passed to me for a decision.

Having reviewed the complaint, I was minded to reach a different outcome to our Investigator and thought the complaint should be upheld in part. Details of why I thought this and of what I shared with Monzo and Miss M is detailed, in italics, below;

*I don't think the first payment Miss M made, particularly given its value, would have given Monzo any cause for concern. However, I can see that Monzo did intervene on payment two in the table above (albeit for other reasons concerning the account activity). While I wouldn't necessarily have expected Monzo to have intervened at this point, having done so I'm persuaded that Miss M presented it with information that ought to have then given it concern that she may have been at risk of financial harm.*

*I've seen and heard that Monzo spoke to Miss M both through its in-app chat function and also during a telephone conversation, on 18 November 2024, before allowing the payment to be progressed. During those communications, I think there were a number of red flags that, as professionals in these matters, Monzo ought reasonably to have picked up on;*

- *The payment was identifiably going to cryptocurrency, something that Miss M hadn't done on her account previously. This was confirmed by Miss M who told Monzo that the payment was to purchase cryptocurrency as part of an investment strategy.*
- *However, Miss M had also told Monzo, on a number of occasions that she was really struggling and that she had borrowed money from a friend to help out with her baby. It is questionable as to why Miss M would be sending money for the purposes of cryptocurrency investment, when there appeared to be more pressing needs for the money.*
- *Miss M told Monzo that she was in a huge rush with the investment and really needed access to the money in her account.*
- *She became agitated when she was unable to release the money and said to Monzo that she was going to "lose too much". Importantly she told the Monzo agent that "I do my work and I don't lose nothing".*

*I think there was enough going on here that Monzo ought fairly and reasonably to have picked up on. However, there was no questioning around why there was a contradiction in the purpose of the payment (firstly saying because she was struggling and then that she was investing).*

*More notably, somebody expressing an urgent need to make a payment, particularly to cryptocurrency, with a fear that they may lose money are all key hallmarks of scams.*

*Particularly so, as here Miss M has also given an indication that the payments were for the purposes of work.*

*So, I'm satisfied here that there was an opportunity for Monzo to have identified a risk and, given what Miss M had told it, to have probed further about the payment she was attempting to make. For instance, it could have asked more details around the investment; where she had heard about it; why was there such urgency; why was she at risk of losing money and how it was related to work.*

*Had Monzo done so, I'm persuaded it's more likely than not Miss M would have explained to Monzo what she was doing and why, and it would have come to light that the payments were going to cryptocurrency and that they were related to work. That would then have clearly revealed the scam to Monzo who could in turn have prevented Miss M from proceeding with this and the subsequent payments.*

*I am very mindful here, that there was an element of coaching from the fraudster. However, that coaching only extended to telling Miss M to tell Monzo she was investing in cryptocurrency – importantly, it didn't extend to Miss M not telling Monzo that it was related to a job. Something which I think is supported, by Miss M telling Monzo she could "do her work" and not lose anything. As such, it is the case that Miss M's loss was both reasonably foreseeable to Monzo at this point and that it could have been prevented, even though the funds were ultimately lost from the cryptocurrency wallets.*

*Monzo has argued that the payments from Miss M's Monzo account were made to another account in her name, so it cannot be considered the point of loss and so it cannot be held liable. But as Monzo ought to be aware and as has been set out in previous decisions from this service to Monzo, the potential for multi-stage scams ought to have been well known to it at the time. And as a matter of good practice Monzo should fairly and reasonably have been on the look-out for payments presenting an additional scam risk including those involving multi-stage scams.*

*And so, all things considered, I'm persuaded it is fair and reasonable that Monzo, at least in part, bears some responsibility for Miss M's loss, from the point it spoke to her on 18 November 2024.*

*I have however, also thought about whether Miss M did enough to protect herself from the scam and whether she should carry some responsibility for her loss. While I accept Miss M believed that these payments were being made in connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one. There was no formalisation of the arrangement between her and the employer – for example, there was no written contract and indeed no clear setting out of the terms of her employment.*

*In addition to that, the arrangement was an inversion of the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around. As far as I can see, there wasn't really any attempt to explain this uncommon arrangement. I also think the level of salary and commission being offered seemed inflated, considering the nature of the work that was being carried out.*

*So overall, I think Miss M is also responsible for some of her loss by way of contributory negligence. As such, I think it's fair and reasonable for Monzo to make a 50% deduction from the redress payable to Miss M.*

*I can see that Miss M received some money back, that she understood to have been 'profit/return' from her job/investment. Given Miss M was falling victim to a scam and the 'investment/job' wasn't genuine, I don't think this money should be attributed to any specific*

*payment. Instead, I think this money should be deducted from the amount lost by apportioning it proportionately across all of the payments Miss M made to the scam. This ensures that these credits are fairly distributed.*

*To work this out, Monzo should take into account all of the payments Miss M made to the scam. In this case, the 'profit/returns' received equals £138.10 and the total amount paid to the scam equals £6,425. Monzo should divide the 'profits/returns' by the total amount paid to the scam. This gives the percentage of the loss that was received in 'profits/returns'. Deducting that same percentage from the value of each payment after and including payment two gives the amount that should be reimbursed for each payment.*

*Here the 'profit/returns' amount to 2.15% of the total paid to the scam. It follows that the outstanding loss from each payment after and including payment two (the payment for £290) should be reduced by the same percentage. That means Monzo should reimburse 97.85% of each payment after and including payment two (reduced by 50% to account for contributory negligence). Please note that, for ease of reading, I've rounded the relevant percentages down to two decimal places, but Monzo should perform the calculation I've set out above to arrive at a more precise figure, as I have done to arrive at the figure below.*

*After taking the steps set out above, I calculate that Monzo should refund Miss M;*

- £3,118.99 (being 97.85% of the value of the payments, from payment two, and then a deduction of 50%)*
- Pay 8% simple interest, from the date of payments to the date of settlement.*

Both parties have now had an opportunity to respond to my initial thoughts. Monzo responded and said it was happy to accept this outcome. Miss M didn't respond.

As all parties have now had the opportunity to respond, I'm going on to issue my 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Miss M authorised the payments in question, so that means she is liable for them in the first instance, even though she was the victim of a scam.

However, that is not the end of the story. The regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victim to scams.

For reasons explained above, while I wouldn't necessarily have expected Monzo to have intervened at the point Miss M made payment two, I'm persuaded information it gathered during the intervention it did make ought to have given it cause for concern. So, I think it is liable, at least in part for Miss M's loss from this point. But, for reasons also explained, I think Miss M should also share some responsibility for her loss.

I've also thought about whether Monzo could have done more to attempt to recover the payments after Miss M reported the fraud. However, as part of the scam, the funds were forwarded on to the fraudsters from the cryptocurrency exchanges that they were sent to. So once Miss M had done that, there would have been no prospect of Monzo being able to recover any of the money Miss M had sent.

As Monzo accepted my findings and as Miss M hasn't provided anything new for me to consider, I see no reason to depart from the conclusions I indicated above.

### **Putting things right**

For the reasons given above, I uphold this complaint in part and now ask Monzo Bank Ltd to:

- Refund Miss M £3,118.99 (being 97.85% of the value of the payments, from payment two, and then a deduction of 50%)
- Pay 8% simple interest, from the date of payments to the date of settlement.

### **My final decision**

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 January 2026.

Stephen Wise  
**Ombudsman**