

## The complaint

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

## What happened

As both parties are aware of the details of the scam I will not repeat them in full here. In summary, Mr G fell victim to a job/task scam. He was contacted via WhatsApp after clicking a link on a social media platform and offered the opportunity to complete tasks (reviewing retail products) to earn commission. He was told that to access the tasks he first needed to make deposits in a cryptocurrency. He made the following payments to two digital wallets at two different platforms as directed by the scammer. From there he sent on the cryptocurrency he'd bought to the scammer's account, believing he was paying the retailer to access tasks.

payment	date	value	method
1*	10-Feb-25	£0.10	debit card
2	12-Feb-25	£297.08	debit card
3	12-Feb-25	£852.52	debit card
4	21-Feb-25	£1,500	faster payment
5	21-Feb-25	£2,380.93	debit card

\*Reversed on 18 Feb 2025

Mr G realised he had been scammed when he was told he had to pay more to withdraw his funds. He says Monzo did not do enough to protect his money and he was vulnerable at the time.

In its final response letter Monzo said it was not the point of loss, and also that the matter was a civil dispute.

Our investigator upheld Mr G's complaint in part. He was satisfied Mr G had been scammed and it was not a civil dispute. He said Monzo should have intervened at the time of payment 5 and would most likely have prevented the scam. But as Mr G could also have done more Monzo need only refund 50% of the payment.

After some discussion with the investigator Mr G accepted this assessment. Monzo did not and asked for an ombudsman's review. It said, in summary:

An intervention at the time of payment 5 would not have been reasonable or proportionate – it cannot be expected to intervene in every payment to a cryptocurrency provider. There was no suspicious pattern. To say an intervention was needed just because payments 4 and 5 totalled more than £3,000 is giving weight to an arbitrary figure with no data or evidence to prove that this is a significant or proportionate figure to trigger an intervention. And the argument about what would have happened if Monzo had intervened is subjective.

## **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.

There's no dispute that Mr G made and authorised the payments. Mr G knew who he was paying, and the reason why. At the stage he was making these payments, he believed he was transferring funds to allow him to buy access tasks he would earn commission for completing. I don't dispute Mr G was scammed (and it seems Monzo now accepts this) and he wasn't making payments for the reason he thought he was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017. The debit card payments were authorised using 3DS authentication that asked Mr G to enter his PIN within the Monzo banking app, and a successful Confirmation of Payee exact match was achieved for payment 4. But it does not 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 February 2025 Monzo should fairly and reasonably have:

- have been monitoring accounts and any payments made or received to countervarious 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 particularly the increase in multi-stage scams involving cryptocurrency, and the different risks these can present to consumers, when deciding whether to intervene.

To note as the payments were made by debit card and/or to an account in Mr G's own name the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case

In this context I find Monzo can be held liable in part for Mr G's losses from payment 5. I'll explain why.

By payment 5 there were sufficient characteristics of potential fraud that Monzo needed to make an intervention and provide Mr G with a tailored warning. I say this not just because of the total value of payments 4 and 5, but because the payments were increasing in value having started low value as such scams often do; they were to two identifiable cryptocurrency providers so there was an inherently higher risk; and payment 5 drained the account leaving a balance of just £1.19. It followed a previous payment attempt that was declined due to insufficient funds. So I am satisfied the activity showed possible signs of foreseeable financial harm. It created a pattern that was out of character for Mr G's account and he had no history of purchasing cryptocurrency prior to payment 1.

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 February 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. So in this case that should have included issues such as lucrative pay in exchange for little work; how did the customer find the opportunity; being directed to a well-designed but fake website; that scammers sometimes use oddly formal language and/or poor grammar, spelling, and punctuation; and the 'employer' asks for upfront payment.

Had Monzo provided a tailored warning that highlighted these traits, then on balance, I think Mr G would most likely not have progressed with payment 5. There is no evidence that he had been given a cover story by the scammer so I find it likely he would have answered the questions honestly. And there is evidence in the WhatsApp chats between Mr G and the scammer that he already had concerns about what he was doing. On 12 February 2025 he wrote 'I can't get help because everyone feels it's not legit', and then later 'something doesn't seem right here'. He told the scammer on 17 February 2025, 'I've tried harder than you think. All to the point I may have ended up being scammed', and he wrote that he wished he'd never got involved in this situation on 18 February 2025.

So I find he would have taken a warning from Monzo seriously and stopped the payment.

This means I find it is fair to hold Monzo liable for the loss from payment 5.

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

I've considered carefully whether Mr G should hold some responsibility for his 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 G's suspicions, particularly as it seems Mr G had no contractual terms of employment to review and accept, nor was there any documentation setting out the terms of the payments. And to have to make such payments in cryptocurrency should also have been a red flag. The retailer he was told he was working for was genuine, but it did not stock the products he was providing fake reviews for. It is a Swedish firm yet some of the text on the product images he saw used Chinese text. So more red flags.

In the round, I have not seen that Mr G carried out an adequate level of independent checks before going ahead despite there being a number of red flags.

It follows I think the parties are equally liable.

I am therefore instructing Monzo to refund 50% of Mr G's loss from payment 5.

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

For the payments that 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 was no dispute that the platform provided the service it 'sold' to Mr G – i.e. the cryptocurrency. For the faster payment the funds were moved on from there to the scammer so there would be no possibility Monzo could have recalled money from the recipient account. Overall, this means I can't find there was any failing in this regard on Monzo's part

Finally, I am sorry to read about how hard things were for Mr G and his family at the time of this scam. I can see he explained his vulnerability to Monzo when he reported the scam, but that it was not aware at the time of the scam. I cannot therefore find there were any adjustments it should have made, but failed to, that may have changed the outcome of his refund claim - over and above my findings about payment 5.

### **Putting things right**

Monzo must:

- Refund 50% of £2,380.93 to Mr G.

There is no interest award as I can see Mr G funded payment 5 by informal borrowing from third parties. As they are not party to this complaint I cannot award them compensatory interest.

### **My final decision**

I am upholding Mr G'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 G to accept or reject my decision before 16 July 2025.

Rebecca Connelley  
**Ombudsman**