

## The complaint

Mrs C complains that Monzo Bank Ltd ('Monzo') won't refund the money she lost to a scam.

## What happened

The background is known to both parties, so I won't repeat all the details here.

In summary, Mrs C says she was a first-time seller on a well-known online marketplace (I'll call 'V'). After completing a sale, a pop-up chat appeared asking her to verify her bank card with a money remittance provider ('R'). The chat said that to complete this verification, she needed to transfer funds to R from one of her accounts.

Believing she was receiving instructions on V's legitimate platform, she transferred £300 from her other bank to her Monzo account. And when she received a push-notification from Monzo, she was told to 'confirm' this for "*security reasons*" and to then wait for the money to be transferred back to her card. When this didn't happen, she was told to try again.

As a result, by the time she realised she'd been scammed, about £592 had been sent across two payments on 29 July 2024 – with the second payment taking Mrs C into overdraft. The fraudster attempted further payments after the scam was reported which were unsuccessful.

A complaint was made to Monzo. It declined to refund Mrs C's payments but offered £100 for the poor service it provided when dealing with her complaint. The matter was referred to our Service. Our Investigator didn't uphold it. She thought it was reasonable for Monzo to treat the payments as authorised, given the clarity of the screens Mrs C would have seen when authenticating them *in-app*. And she didn't think the payments ought to have appeared as particularly concerning for Monzo to have otherwise intervened.

As the matter couldn't be resolved informally, it's been passed to me to decide. To note, although the Investigator also commented that the £100 offer was reasonable for the way Monzo had dealt with Mrs C's complaint, the activity of 'complaint handling' isn't a regulated activity – and it's not something I have the power to comment on here.

## 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've reached the same conclusions as the Investigator. These are the key reasons for my decision.

### *Authorisation*

The relevant law here is the Payment Services Regulations 2017 (PSRs). These set out the circumstances in which a payer (Mrs C) and a payment service provider (Monzo) are liable for payments. The starting point is that Mrs C is liable for payments she's authorised while Monzo should reimburse her for unauthorised ones.

The PSRs set out that a payment is authorised if it's correctly authenticated and consented to by the consumer. And that consent must be given in accordance with the form and procedure agreed between the payer and the payment service provider. In practice, for the disputed payments to be considered authorised, Mrs C would need to have given her consent as set out in the terms and conditions applicable to her Monzo account.

I've looked at the relevant terms and conditions. These explain that Mrs C can consent to making her payments in different ways – by entering her PIN, by entering a security code, or by proving it's her with fingerprint or facial recognition.

Monzo says the payments were authorised because they were approved *in-app* through the 'stronger authentication' method (known as 3DS). I've seen that's supported by the technical data it provided. So while I accept it may have been the scammer who initiated the payments (by using Mrs C's card details on the merchant's site) and I recognise she was tricked into approving them *in-app* thinking this was needed for her to receive payment, I think it's fair and reasonable for Monzo to have treated the payments as authorised. This is because, as noted above, the relevant terms say that the steps she took mean she gave consent for the payments to be made.

I've also seen examples of the screens Mrs C would have been presented with at the time of the payments. I note these would have notified her of a payment waiting approval (including merchant and amount). I think they were clear in that Monzo was then asking Mrs C either to 'Decline' or 'Approve' a payment out of her account. I fully appreciate the scammer told Mrs C specifically that this wouldn't happen. I don't imagine she went along with any of it thinking she'd lose her money. Even so, like the Investigator, I think it's reasonable for Monzo to rely on the steps Mrs C took when pressing 'Approve' as confirmation that she consented to the payments.

### *Prevention*

There are some situations where I consider that a firm (like Monzo) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

But, like the Investigator, I don't think there were significantly concerning factors about the payments for me to find that Monzo should have stepped in on suspicion that Mrs C was at a heightened risk of fraud. I don't think a suspicious fraud pattern developed and I don't think they should have appeared as particularly concerning in value.

In reaching this view, I realise Mrs C was the victim of a scam and I note her comments that she was put under considerable financial pressure when it happened. At the same time, I'm mindful that Monzo would have seen the payments were 3DS approved (thereby reducing some of the risks). And I'm also mindful that a firm can't reasonably be expected to intervene on all transactions that may be the result of a scam. There's a balance it needs to strike between identifying scam payments and ensuring minimal disruption to legitimate ones.

I'm very sorry Mrs C was scammed. I realise she was an innocent victim in all this and I can understand why she wants to do all she can to recover her money. But for the reasons I've given, I don't think Monzo missed an opportunity to prevent what happened – such that it should refund Mrs C for her losses.

### *Recovery*

As the disputed payments were made by card, the recovery option available to Monzo would have been through the chargeback scheme. This is a scheme, run by the scheme provider,

to resolve payment disputes between customers and merchants – subject to the rules they set. But a dispute based on ‘services’ not being received, was unlikely to succeed here. This is because the merchant R (a money remittance service) likely provided its ‘services’ as intended (albeit to the scammer, not Mrs C).

### **My final decision**

For the reasons I’ve given, I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs C to accept or reject my decision before 21 October 2025.

Thomas Cardia  
**Ombudsman**