

The complaint

Ms K is unhappy Monzo Bank Ltd will not refund all the money she lost as the result of an authorised push payment (APP) scam.

She brought her complaint through a representative, for ease of reading I will solely to Ms K 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, Ms K fell victim to a job/task scam. She was contacted via WhatsApp and offered the opportunity to complete tasks (improving brands' reputations and product sales) to earn commission. She was told that to access the tasks she needed to make payments in advance. She made the following faster payments, all except payment 11 went to an account in her name at a clearing bank. Payment 11 went to an account in her name at a high-street bank. From those accounts she funded cryptocurrency purchases to send on to the scammer.

payment	Date	value
1	07/08/2024	£415
2	07/08/2024	£20
3	07/08/2024	£520
4	07/08/2024	£490
5	07/08/2024	£5
6	07/08/2024	£2,360
7	07/08/2024	£544
8	07/08/2024	£100
9	07/08/2024	£3,500
10	07/08/2024	£217
11	07/08/2024	£1,020
12	09/08/2024	£2,505

Ms K realised she had been scammed when she kept having to pay charges for small things like password resets and she was unable to withdraw her commission.

Ms K says Monzo did not do enough to protect her money. Monzo says it is not liable as it was not the point of loss, and the payments from Ms K's Monzo account were correctly processed in line with her instructions.

Our investigator did not uphold Ms K's complaint. He felt Monzo should have provided a tailored warning at the time of payment 9. But he concluded that this would most likely not have broken the spell of the scam.

Ms K disagreed with this assessment and asked for an ombudsman's review. She said, in summary, the intervention at payment 9 should have been human contact given the severity of the red flags present. As her cover story was 'flimsy' the bank would have broken the spell of the scam. Job scams involving crypto payments were already prevalent and well-documented at the time these payments were made and so Monzo needed to apply enhanced due diligence in such cases.

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 Ms K made and authorised the payments. Ms K knew who she was paying, and the reason why. At the stage she was making these payments, she believed she was transferring funds to allow her to access tasks that she would earn commission for completing. I don't dispute Ms K was scammed and she wasn't making payments for the reason she thought she was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017. But 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 August 2024 Monzo should fairly and reasonably have:

- been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- 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;
- 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, 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 and the different risks these can present to consumers, when deciding whether to intervene.

In this context I don't find Monzo can be held liable for Ms K's losses. I'll explain why.

Banks have to strike a balance between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. In this case I am not persuaded payments 1 to 8 showed indicators of possible financial harm such that Monzo needed to intervene.

The values of the payments were not high enough to warrant further checks, nor had a pattern typical of scam activity yet emerged, the payments fluctuated in value and Ms K's account history showed she at times made multiple faster payments out on the same day – for example on 19 July she made four payments out totalling £2,470.

As the investigator said the payments were not identifiable for cryptocurrency, the recipient is a clearing bank with over 250 clients – some are involved in cryptocurrency, but many others are not, offering services such as business banking or prepayment. So, in the round, I am satisfied it was reasonable for Monzo to follow Ms K's payments instructions without

intervening up until payment 9. Ms K is no longer disputing this, rather the remaining dispute centres on what type of intervention was needed.

I think a written warning would have been a proportionate response given the value and recipient involved. The transfer was to an account in Ms K's own name reducing the level of risk. The investigator thought it would be most likely Ms K would have said the money was for school fees as she had told the bank this was the reason for some credits into her account at around this time. This seems likely given she went on to use those credits to fund this scam, irrespective of what her original intention was. This means she would not have seen a scam warning that addressed job/task scams, so it was unlikely to have resonated with her and broken the spell of the scam. It follows I don't think an intervention from Monzo would have prevented Ms K's loss.

I have then looked at whether Monzo did what we would expect to try to recover Ms K's funds once she reported the scam. Ms K knew she had already moved the money on via peer-to-peer cryptocurrency purchases in order to pay the scammer so Monzo had no realistic prospect of recovering the funds. I note it nonetheless contacted the two recipient firms that same day but no funds remained. I do not find any failing on Monzo's part in this regard.

This means I am not instructing Monzo to refund any money to Ms K. This is a difficult decision to make, I'm sorry Ms K lost a considerable amount of money which was very distressing for her. I can understand why she would like to be compensated for her loss. And I do accept Ms K has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Monzo can be held liable in the circumstances of this case.

My final decision

I am not upholding Ms K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 9 September 2025.

Rebecca Connelley
Ombudsman