

## The complaint

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

Miss W brought her complaint to this service through a representative. For ease of reading, I will refer solely to Miss V 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, Miss V fell victim to a job/task scam. She was contacted via text by a recruitment company and offered the opportunity to complete tasks to earn commission. She was told that to access the tasks she first needed to deposit funds. She did so, sending the money below to the scammer via a clearing bank and crypto wallet. She successfully completed some tasks and received two credits totalling £323.41 back into her account. She was then asked to deposit more funds and eventually realised it was a scam as the amounts requested increased. By then she had made the following payments:

payment	Date	time	value, £
1	26/10/2024	15:39	20
2	29/10/2024	20:29	1
3	29/10/2024	21:14	52
4*	29/10/2024	07:59	50
5	31/10/2024	11:52	91
6	31/10/2024	13:22	53.28
7	01/11/2025	09:53	1,115
8	01/11/2025	23:08	1
9	01/11/2025	23:08	1,500
10	01/11/2025	23:09	1,499

\*sent to her other bank account and on to the scammer from there, not via the clearing bank

Miss V says Monzo did not do enough to protect her money. And after she reported the scam it misled her, twice saying she would receive a refund.

Monzo says it had no reason to intervene as the payments were all within Miss V's daily limit and not out of character for her account.

Our investigator upheld Miss V's in part saying Monzo ought to have intervened at the time of payment 10. She thought it would most likely have broken the spell of the scam with a tailored warning. She thought that Miss V should share the liability equally though as she could have done more to check the legitimacy of the opportunity before sending money. As Monzo had misled Miss V about getting a refund the investigator awarded £100 compensation for the distress this caused.

Neither party accepted this assessment, so the complaint was passed to me to make a decision. Miss V said Monzo ought to have intervened at the time of payment 7 given the increase in value. Monzo said the payments were not of a significant enough value or velocity to indicate Miss V had fallen victim to a scam, they were not out of character for her account. It agreed to pay the £100 compensation.

### **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 Miss V made and authorised the payments. I don't dispute Miss V 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. 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 October 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 Miss V's loss from payment 10. I'll explain why.

Miss V argues Monzo needed to intervene at the time of payment 7 as it was higher value. But a one-off higher value payment is not uncommon and does not automatically indicate a possibility of financial harm.

By payment 10, however, I think there were enough characteristics of potential fraud that Monzo needed to make an intervention and provide Miss V with a tailored warning. I say this as Miss V had by then made three payments in rapid succession (within a minute) and four payments that day that had a cumulative value significantly in excess of Miss V's typical account activity. Miss V had no previous history of making payments to the clearing bank (known to support crypto firms) prior to the start of this scam. Yet in one week she had now made ten transfers to it. And she had also received two credits from Foris MDS Ltd which is recognised as a legal/service entity of Crypto.com. So, there were clear indicators that the spend may be linked to cryptocurrency which as Monzo knows carries a higher-risk level.

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 October 2024 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 intervened in this way I have found no reason to think Miss V would not have answered honestly. She was not operating in her first language and I think she would have put her trust in the bank given its legitimacy and expertise.

So in this case I am satisfied that a warning that referenced the hallmarks of job/task scams (for example - unsolicited contact, commission rates that were too good to be true, mandatory upfront payments with no documentation explaining how they would be reimbursed, small credits to create trust) would have resonated with Miss V. So she would most likely not have made payment 2.

This means I find it is fair to hold Monzo liable in part for the loss from payment 2.

*Should Miss V bear some responsibility for the overall loss?*

I've considered carefully whether Miss V should hold some responsibility for her loss by way of contributory negligence. Accepting that she is not the fraud expert - that is the role of Monzo, I do think she 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 Miss V's suspicions, particularly as it seems Miss V 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 Miss V carried out an adequate level of independent checks to address these anomalies before going ahead. It follows I think the parties are equally liable.

I am therefore instructing Monzo to refund 50% of Miss V's loss from payment 2 after taking into account the credits she received as part of this scam.

*Did Monzo do what it should to try to recover Miss V's money?*

As Miss V knows, she moved the funds from her digital wallet onto the scammer so there was no reasonable prospect that Monzo would be able to recover any of the funds from the beneficiary account. This means I can't say there was any failing in this regard on Monzo's part.

## **Putting things right**

I think that Monzo should have prevented Miss V's loss from payment 10. In calculating fair redress I've taken into account that she has received some reimbursement.

As I have said, Miss V received some money back that she understood was in return for completing tasks in the early stages. Given Miss V was falling victim to a scam and her '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 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 V made to the scam (including those from other businesses), which I've set out in the table above.

In this case, the credits received equals £323.41 and the total amount paid to the scam equals £4,382.28. Monzo should divide the credits received by the total amount paid to the scam. This gives the percentage of the loss that was received in credits. Deducting that same percentage from the value of payment 10 gives the amount that should be reimbursed for that payment.

Here the credits amount to 7.38% of the total paid to the scam. It follows that the outstanding loss from payment 10 should be reduced by the same percentage. That means Monzo should reimburse 92.62% of the payment.

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 the Consumer's outstanding loss from this payments to be £1,388.37.

As I've explained, I also think that the amount reimbursed should be reduced by 50% to reflect Miss V's contributory negligence.

I therefore calculate the overall reimbursement due to be £694.19.

Monzo must also pay interest on the above amount at the rate of 8% simple per year from the date of payment to the date of settlement.\*

Plus the £100 compensation already agreed that I find to be fair and reasonable in the circumstances of the bank's error.

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

## **My final decision**

I am upholding Miss V'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 Miss V to accept or reject my decision before 9 October 2025.

Rebecca Connelley  
**Ombudsman**