

## The complaint

Miss P complains that Monzo Bank Ltd (Monzo) won't refund money she lost when she fell victim to a job scam.

## What happened

In March 2025, Miss P was approached about a job opportunity by someone who claimed to work for a recruitment agency. After expressing interest in the opportunity, she was contacted by the supposed employer. They explained the job involved completing 'orders' and these helped to support developers of applications (apps) by increasing their ratings in app stores.

Miss P was told about the salary and commission she could earn for the role, which was paid in cryptocurrency. She agreed to the role and set up a 'workbench account' with the employer, to allow her to complete sets of 40 orders, keep a track of her balance, and review daily earnings. Unfortunately, Miss P had been contacted by a scammer.

Miss P started completing the orders, but as she received them, the balance shown on her workbench account would become negative. The negative amount would be greater when she received 'super orders', but she was told completing those orders carried much higher commission.

Miss P was told she had to pay into her workbench account each time this happened to get the balance back to positive, before she could continue completing the rest of the orders in a set. To do this, Miss P was instructed to send money to an existing account she held with a cryptocurrency exchange (which I will refer to as Exchange C). She then purchased cryptocurrency from Exchange C, before transferring it to the workbench account.

Miss P received small amounts of USDC (cryptocurrency) into her Exchange C account initially. Some of this was exchanged back to pound sterling and withdrawn back to Monzo, while the rest was sent back to her workbench account.

The payments Miss P made from her Monzo account, and the returns she withdrew back to it, are listed below.

Date and time	Description	Amount	Payment
20 March 2025 – 8.48pm	Card payment to Exchange C	£80.27	1
20 March 2025 – 9.44pm	Card payment to Exchange C	£15	2
20 March 2025	Payment from Exchange C	£59.95 (credit)	

21 March 2025	Payment from Exchange C	-£40.45 (credit)	
21 March 2025 – 12.16pm	Card payment to Exchange C	£55.70	3
23 March 2025 – 3.09pm	Card payment to Exchange C	£61.25	4
23 March 2025 – 3.27pm	Card payment to Exchange C	£80.35	5
23 March 2025	Payment from Exchange C	£300.57 (credit)	
24 March 2025 – 8.15pm	Card payment to Exchange C	£973.16	6
24 March 2025 – 9.22pm	Card payment to Exchange C	£2,391.34	7
24 March 2025 – 10.11pm	Open Banking payment to Exchange C	£2,661.62	8
24 March 2025 – 10.36pm	Open Banking payment to Exchange C	£4,617.44	9
24 March 2025	Card payment to Exchange C	£2	10

When nearing the end of a set of orders, Miss P began receiving several super orders and had to pay increasing amounts to get her balance back to positive. The scammer offered to help at times, and sent USDC to Miss P's Exchange C account, but Miss P had to borrow from family to continue with the orders.

Miss P realised she was a victim of a scam when she completed the set of 40 orders but, couldn't withdraw her earnings without paying a 40% fee.

Miss P then reported the scam to Monzo who said that as the payments in dispute went to her account with Exchange C, it couldn't refund her. Unhappy, Miss P referred the complaint to the Financial Ombudsman Service, and one of our Investigators considered it.

When providing its file to our service, Monzo said, among other arguments, that it did not consider the payments to be suspicious or risky. Monzo also said it had no way of recovering the funds that Miss P had sent to her account with Exchange C.

The Investigator felt from Payment 7, Monzo ought to have found the activity suspicious and should've recognised that there was an elevated risk of the payment being linked to fraud or a scam. They argued if Monzo had intervened, questioned Miss P and provided a specific scam warning at the point of Payment 7, she would've likely stopped sending payments.

The Investigator said Monzo should refund Payment 7 and those that came after it. However, they also felt Miss P should bear equal liability for her loss, so Monzo could reduce the refund by 50%. Monzo didn't agree with the Investigator.

Monzo said the pattern of payments Miss P made were not unusual or suspicious. It acknowledged that it could intervene in Open Banking payments, but it didn't as no threat of fraud or a scam was detected.

So, the complaint has been passed to me for a final decision.

Before this decision, I emailed both parties. I set out that during the scam, Miss P had received returns. I explained that I would take this into account and apportion these credits across the payments in dispute. This would result in a change to the redress that the Investigator recommended. Both parties acknowledged this and had no further comments to make.

### **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 have decided to uphold Miss P's complaint. I'll explain why.

It's not in dispute here that Miss P authorised the payments in question as she believed they were part of a legitimate job opportunity. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Monzo was obliged to follow Miss P's instruction and process the payments. So, she, rather than Monzo is liable for the payments. However, that isn't the end of it.

In considering this complaint I've also taken into account regulatory rules and guidance, relevant codes of practice and good industry practice. I'm satisfied that Monzo ought to have been monitoring accounts to counter various risks including preventing fraud and scams.

With all of this in mind, I consider Monzo should have had appropriate systems for making checks and delivering warnings before it processed payments such as those Miss P made here. So, I've considered the scam payments, and whether I think Monzo ought to have carried out any steps before processing them.

Monzo argue the payments were not unusual, but I disagree. I wouldn't have expected Monzo to have intervened prior to Payment 7. Those payments were spread out over several days and were not out of keeping with how Miss P typically ran her account.

By Payment 7 though, I think an unusual pattern was forming in the context of Miss P's normal account usage – one that indicated a risk of financial harm. I say this because the value of the payments was increasing from those initially made to Exchange C – and those increases were getting more pronounced. Escalations in the values of payments, particularly in a short space of time, can often be an indicator that the account holder might be at risk of financial harm. Furthermore, looking at Miss P's account history over the previous 12 months, it was uncharacteristic for her to make ever increasing payments in this way. So, I think Monzo ought to have been concerned at the point it received the request to process Payment 7.

I acknowledge Monzo's arguments that Exchange C is a legitimate cryptocurrency exchange, one that Miss P had paid once in 2021, and that it didn't know where the funds would be sent after. However, I don't agree this means Monzo could have assumed these payments posed no risk of harm through fraud or scams.

On the contrary, I think Monzo ought to have been aware of an increased risk to its customer, when they use its services to purchase cryptocurrency or send money to exchanges like Exchange C. Even though the payment would often be made to a cryptocurrency wallet in its customer's own name, by March 2025, when these payments took place, firms like Monzo had or ought to have been aware of the risk of multi-stage scams involving cryptocurrency for some time. So given the pattern, the destination and the difference to previous account activity, I think Monzo ought to have taken steps and intervened at Payment 7.

I agree with the Investigator that a proportionate intervention at this point, would have been for Monzo to ask an automated series of questions about the purpose behind the payment, factoring in that it was going to cryptocurrency. Once it had narrowed down the potential risk to Miss P, Monzo should have provided a warning which covered off the key features of the specific scam risk identified.

Had Monzo done this, then I think on balance, Miss P would've answered the questions honestly. I haven't seen anything to persuade me that Miss P would've misled Monzo about the true purpose of the payments.

In this case, I'd expect it to cover off key features such as making payments to gain employment; being paid for 'clicks' or 'likes'; or promoting products and having to pay increasingly large sums without being able to withdraw money.

From Miss P's comments to the scammer around this time, she had some doubts as to the legitimacy of the job opportunity. Miss P was being asked to make increasingly large payments just to continue the work, and those payments were becoming increasingly difficult for her to afford and contrasted with the small sums she'd been able to withdraw. So, I consider that Miss P would've been responsive to the warning and it would've likely resonated in her circumstances. Had Monzo taken those steps, I'm satisfied on balance that Miss P would've stopped, and the losses she incurred from that point would've been prevented.

The fact that the money wasn't lost at the point it was transferred to Exchange C does not alter that fact and I think Monzo can fairly be held responsible for Miss P's loss from Payment 7 onwards.

I have thought about whether Miss P should bear any responsibility for her losses connected to these payments. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all the circumstances of this complaint.

I acknowledge Miss P fell victim to a scam here, one where she paid money in the expectation of earning an income, but this was a scheme designed to obtain as much money from her as possible. I recognise that there were some relatively sophisticated aspects to this scam, that would've given some validity to the scheme. Not least the workbench account which was used to access and manage the supposed employee's earnings and orders.

Nevertheless, I think Miss P should've done more to protect herself from the scam – particularly by the time of Payment 7. By this point, Miss P was paying ever increasing sums of money as part of the employment opportunity in a relatively short period of time, a point I think she realised, and which led to her having doubts, yet she continued anyway.

I think the nature of the job itself ought to have raised concerns with Miss P too. She was completing simple tasks, promoting apps she had never used and was required to make significant sized payments to do this. Miss P had been offered this job with no interview or application process, and I think all of these things ought to have led her to question the plausibility of the opportunity – particularly by the point of Payment 7. Weighing the fault that I've found on both sides, I think a fair deduction is 50% from Payment 7 onwards.

*Could Monzo have recovered any of Miss P's payments?*

There was no realistic prospect of Monzo recovering Miss P's funds after the scam came to light. Her money had been used to purchase cryptocurrency from Exchange C, and that cryptocurrency had then been sent to the scammers. No funds would have been left with Exchange C for Monzo to recover.

There would have been no grounds to raise a successful chargeback for the card payments that went to Exchange C either. Miss P had received the cryptocurrency services from Exchange C as intended.

### *Distress and inconvenience*

Miss P did complain about Monzo's handling of the claim – particularly that they dismissed her claim within 24 hours. I have considered calls Miss P had with Monzo when she reported the scam, and after she'd received the outcome to the scam claim she made, as well as its handling of the claim in general. I haven't seen anything that would persuade me to make an award of compensation though. I don't think Monzo's quick response indicates a lack of proper investigation on its part. It did investigate, and I've explained above why I disagree with that approach – I've upheld the complaint and made an award accordingly.

### **Putting things right**

I can see that Miss P received money back that she understood to have been 'returns' from this job. While I note the investigator did not deduct any of the returns from their recommendation, I think it would be fair for these to be taken into account.

Given she 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 the payments Miss P made to the scam. This ensures that these credits are fairly distributed.

To work this out, Monzo Bank Ltd should take into account all of the payments Miss P made to the scam (which can be found in the table I gave earlier).

In this case, the 'returns' total £400.97, and the total amount paid to the scam equals £10,938.13. Monzo Bank Ltd should divide the 'returns' by the total amount paid to the scam. This gives the percentage of the loss that was received in 'returns'. Deducting that same percentage from the value of each payment after and including Payment 7, gives the amount that should be reimbursed for each payment.

Here the 'returns' amount to 3.67% of the total paid to the scam. It follows that the outstanding loss from each payment after and including Payment 7 should be reduced by the same percentage. That means Monzo Bank Ltd is liable for 96.33% of each payment after and including Payment 7.

After taking the steps set out above, I calculate Miss P's outstanding loss from these payments to be £9,317.83.

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

I therefore calculate the overall reimbursement due to Miss P to be £4,658.92.

Monzo Bank Ltd should also apply 8% simple interest, calculated annually, from the date of the payments to the date of settlement.

If Monzo Bank Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss P how much it's taken off. It should also give Miss P a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

**My final decision**

I uphold Miss P's complaint and direct Monzo Bank Ltd pay the redress outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 6 January 2026.

John Ryan  
**Ombudsman**