

The complaint

Miss E complains that Monzo Bank Ltd won't refund her money that she believes was lost to an Authorised Push Payment ("APP") scam.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view. So, I won't repeat everything again here, but I have summarised the circumstances briefly below.

In or around July 2024 Miss E was looking to purchase an assistance dog. Miss E entered into communications with a company which I'll call 'O', following which she agreed a price to purchase a dog that she believed to be suitable. Miss E was provided with an invoice for £5,800, which was to cover the cost, boarding and training for the dog.

Miss E made the following payments from her Monzo account to O;

23 July 2024	£250
27 July 2024	£250
4 September 2024	£3,500

Towards the end of September 2024, Miss E was contacted by O who said the original dog that Miss E had agreed to buy was no longer suitable. But it said a replacement assistance dog, who I'll refer to as Z, would be provided. O added that under the terms and conditions of the agreement, no refund would be provided.

Miss E continued to be in communication with O and attended three training sessions with Z, which took place during November and December 2024. O told Miss E that Z would be with her by the end of January 2025. However, Miss E had concerns around how Z's training was progressing and so complained to O.

Miss E believed she had been the victim of a scam, so she raised the matter with Monzo. While not a signatory, Monzo had agreed to following the principles of the Contingent Reimbursement Model Code (CRM Code), which was in place at the time Miss E made her payments. It looked into Miss E's complaint and sent its final response, not upholding her complaint. In summary, it considered this was a civil dispute between Miss E and O.

Unhappy with Monzo's response, Miss E brought her complaint to this service. One of our Investigators looked into things, but our Investigator didn't uphold Miss E's complaint. In summary he also concluded this was a civil matter. He said this because he didn't think there was enough evidence to suggest that O had set out to defraud Miss E.

Miss E didn't agree with our Investigator's view. She strongly maintained that she'd been the victim of a scam and summarised that this was not a case of poor service or civil dispute, but rather a systematic representation of service, designed to secure funds without delivering the promised outcome. She believes the deception by O was dishonest and material.

As agreement couldn't be reached the complaint has been passed to me for a final decision.

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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought very carefully about Monzo's actions, I don't uphold Miss E's complaint. I do appreciate how disappointing this will be for her, and I don't underestimate her strength of feeling, but I don't think I can fairly say Monzo should reimburse her. I'll explain why.

I'm sorry to hear of what's happened to Miss E, and I can understand entirely why she feels so strongly that this money should be returned to her. But not all cases where individuals have lost money are in fact fraudulent.

When considering what is fair and reasonable in this case, I've thought about the Lending Standards Board's voluntary CRM Code which Monzo, as mentioned above, had committed to follow.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. But the CRM Code is quite explicit that it doesn't apply to all push payments. It says:

"DS2(2) This code does not apply to:

*(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier"**

**Subsections (a) and (c) have been omitted as they are not relevant to this complaint.*

Both Monzo and our Investigator felt the payments Miss E made formed part of a civil dispute and, as such, were not covered by the CRM Code. Miss E disagrees, she feels O has scammed her.

In order to conclude that the payments Miss E made were part of a scam, I'd need to be reasonably satisfied, from the available evidence, that O set out to defraud her. But I don't think, based on what I know, that I can safely conclude that. I don't doubt that things didn't go as Miss E had expected them to. And it seems clear she's been let down by O. But that's not the same as her having been scammed.

I firstly need to consider the purpose of the payments and whether Miss E thought this purpose was legitimate. I'm satisfied she did, she's explained she believed the payments she was making were for an assistance dog and its training. Then I need to consider the purpose the recipient (O) had in mind, at the time of the payment, and whether this was broadly in line with what Miss E understood to be the purpose of the payment.

Here, Miss E entered into communications with O, which continued over several months. These included face to face meetings and Miss E attending some training sessions with Z. So, on balance, I'm persuaded the purpose O had in mind for receiving the payments was in line with what Miss E believed the payments to be for.

It's not typical behaviour for a fraudster to stay in contact, or indeed to provide any kind of service, after they've taken a victim's money. Rather, in most cases, once the money is paid communication stops and no service or goods are provided. But here O did stay in contact with Miss E, there continued to be face to face meetings and, through the training, some services, at least to a degree, were provided.

From what I've seen O is a company which is registered on Companies House, and it is seemingly still operating. And while I acknowledge that Miss E has shared details of other negative customer reviews about O, there are also positive reviews, which indicates that O had successfully carried out similar activities for other customers, without any concerns being raised.

I've seen from Miss E's submissions that she was initially satisfied with the progress that Z was making with his training, which again lends weight to O's intent being to provide the service/goods that Miss E had paid for. There may have been a number of reasons why things subsequently didn't progress as well as Miss E would have expected, or why O might not have provided what was promised. Unfortunately, situations do arise where retailers/merchants/suppliers can operate poorly or be mismanaged to the point where agreed services or goods aren't provided at all or aren't provided to a customer's satisfaction.

I'm mindful that Miss E has said matters were reported to the police. But I'm not aware of any ongoing criminal investigation. It's worth noting that if there was a live investigation, I acknowledge that this would give the appearance, to the layman, to be proof Miss E has been the victim of fraud—as it infers that the police have taken the matter seriously enough to pursue this course of action. However, the purpose of an investigation is to gather evidence. And that will likely go toward investigating the accused's intent at the time; the result of which may or may not lead to a prosecution. So, it doesn't automatically follow that even if there was an investigation it would mean that a fraud has taken place.

Taking all of this into account, while I accept that Miss E hasn't received all that she paid for and that fraud is a possible explanation for what has happened here, I'm not persuaded that the evidence is strong enough to show that it's more likely than not. The CRM Code isn't a general protection for consumers and doesn't cover situations where a customer has paid for goods/services that they don't receive or don't meet their expectations. This could amount to potential breach of contract, which is a civil issue.

Overall, I am not persuaded that there is sufficiently compelling evidence to support that O defrauded Miss E. If new, material evidence emerges in the future, Miss E would be entitled to raise a new complaint with Monzo. However, I must decide this complaint based on the evidence currently available. I have a great deal of sympathy for Miss E and what she's been through here. But, while I know that my decision will be greatly disappointing to her, I'm not persuaded there's strong enough evidence to say that she fell victim to a scam here. It follows that I don't think Monzo has made any error in not reimbursing Miss E the money she sent to O.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 25 November 2025.

Stephen Wise
Ombudsman