

The complaint

Miss M complains that Monzo Bank Ltd won't refund the money she lost to a job scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss M was searching for a remote job to earn some extra money. In April 2025, she was contacted by a scammer, who pretended to be a recruiter. The scammer asked Miss M if she was interested in an online commission-based job with Company T (an impersonation of a legitimate company).

The job was completing basic video reviews (liking them to raise their profile) and the scammer said there was a possibility it could become permanent. Miss M thought the job was attractive (giving her financial freedom) and genuine (having checked the company on the internet) and she agreed to start. Also, she engaged with a group of other employees (who posted positive messages including their earnings), could see a professional looking account and received some initial payments.

There appears to have been a crypto investment element to the scam with Miss M believing she would increase her earnings by up to 40%. This appears to have encouraged her to make crypto payments to release her earning tasks and grow her investment.

Miss M accepted the job and to complete tasks and receive payments she was required to open a crypto account (which she did with Company C) and to make payments to the fake Company T in crypto.

Miss M's main bank account was with Bank B; however, they wouldn't allow her to make crypto payments. So, to pay Company C and then the scammers, she used her account with Bank S.

Miss M made six payments to the scammers from her Bank S account. However, Bank S blocked the seventh payment for £1,000 on 11 April 2025 as they suspected Miss M was being scammed.

As Miss M wasn't persuaded that it was a scam, she told the scammers about Bank S blocking her account. Miss M says the scammers suggested she open new accounts with Monzo and Firm R. Miss M then:

- Transferred funds into her Monzo account.
- Transferred funds from her Monzo account to her Firm R account.
- Transferred funds from her Firm R account to Company C.
- Transferred funds from her Company C account to the scammers.

On 12 April 2025, £1,000 (payments of £680 and £320) were credited to her Monzo account and then moved to her Firm R account and these amounts were subsequently passed to the scammers via Company C.

The scammers then demanded a higher payment of £5,800 which Miss M couldn't afford. Also, they wouldn't release her earnings and / or profits and this appears to have made her realise it was a scam.

The scam and loss caused Miss M financial difficulties. Miss M contacted Bank S and Firm R to claim a refund of her losses – her claim with Firm R also being £1,000.

Firm R initially rejected her claim but, without accepting any liability, subsequently paid her £250 towards her £1,000 loss.

Miss M complained to Monzo, holding them liable for her £1,000 loss as they passed her money to Firm R without any intervention.

Monzo rejected her complaint as it wasn't them that transferred funds to the scammers.

Miss M brought her complaint to our service, but our investigator couldn't see that Monzo had done anything wrong and were liable for her loss.

As Miss M remains dissatisfied her complaint has been passed to me to look at.

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, my decision is to not uphold this complaint. And I'll explain why.

I should first say that:

- I'm very sorry to hear that Miss M has been the victim of this cruel job scam which has caused her financial hardship.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply here. This is because the two faster payments went to another account under Miss M's control.
- Although there isn't any evidence of Monzo's recovery attempts on file, as the funds went to another account in Miss M's name and from there to the scammers in crypto, I wouldn't have expected Monzo to have been successful in recovering Miss M's funds from Company C.
- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Miss M made the payments here, so they are considered authorised. However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 Monzo had to comply with the Financial Conduct Authority's (FCA's) Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Monzo was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, to look out for signs of vulnerability.

With the above in mind, I first considered the two payments to see if Monzo should've noticed Miss M was at risk of financial harm.

The two payments were going to another account in Miss M's name ('me to me' payments) and that financial business (Firm R) was a regulated Electronic Money Institution (EMI). So, I think, Monzo would've had some comfort that further due diligence would be undertaken by Firm R with a full picture of where the money was going. And this this would've reduced the level of risk.

In addition to the above comfort of 'me to me' payments, although I recognise they were high amounts to Miss M, £680 and £320 are relatively low amounts and, as banks process thousands of transactions and have to strike a balance when intervening (as mentioned above), I wouldn't have expected these amounts, either individually or collectively, to warrant an intervention.

Regarding the incoming credits followed by immediate transfers. It could be argued that Monzo should've put in place automated fraud and scam warnings (as scams can involve multi-stage payments), but here there were only two low amount credits followed by transfers and the credits were from another person. So, although a new account, I don't think they would've stood out as suspicious or a concerning pattern had developed.

Furthermore, even if the pattern continued and Monzo did put in place an intervention (which considering these amounts involved would've been automated rather than human) asking Miss M the reason for the payment, in order to give her the relevant fraud and scam education and warnings, I don't think this would've made a difference here and prevented Miss M's loss. I say this because:

- Miss M says the scammers told her to lie and mislead the banks.
- At the end of the call with Bank S in which they blocked Miss M's payment / account, she enquired about ways to withdraw money which appeared to be because she disagreed with their concerns that she was probably being scammed. Also, she made it clear she really wanted to make the £1,000 payment.

- Although Bank S's human intervention could've been stronger (describing job scams in more detail), the agent did cover scams (including investments and crypto) and did communicate that paying an employer was suspicious and sounded like a scam.
- After Bank S's blocking action, Miss M split the Monzo credits and payments so they were below £1,000, which I think was more likely than not to circumvent checks and due to being advised by the scammers.
- Bank S and Firm R implemented automated warnings and Miss M gave the reason as investment which negated job scam warnings.

So, considering the above, although I'm very sorry that Miss M has been the victim of this cruel scam and lost this money, I wouldn't have expected Monzo to intervene here. And, even if they did, I don't think it would've made a difference and stopped the payments to firm R. I'm therefore not upholding this complaint against Monzo.

My final decision

For the reasons mentioned above, my final decision is no to uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 December 2025.

Paul Douglas
Ombudsman