

The complaint

Ms F complains that Monzo Bank Ltd won't refund the money she lost as the result of a scam.

What happened

The background to the scam is well known to the parties, so I'll simply summarise it here.

Briefly, in July 2024, Ms F received a phone call from someone claiming to be from another bank with which she holds an account ("N"). Unfortunately that person ultimately turned out to be a scammer. They told Ms F that her card was being used in an electronics store far away. The scammer knew some of Ms F's card details and where she was based. They also knew that she had an account with Monzo. After Ms F confirmed that she was unaware of the transaction in question, the scammer told her to move the money in her account with N to her account at Monzo, while they secured her account at N.

On 4 July 2024 Ms F made two transfers, totalling £8,100 from her account at N to her Monzo account.

Shortly after, Ms F received another call which appeared to be from Monzo. The caller told her that her Monzo account might also be at risk, as her online banking with N had been compromised, and the scammers would know where she'd sent the money. Unfortunately, the scammer was behind this call too. The scammer already had some of the card details for Ms F's Monzo account, and at Ms F's request, he sent her an email which looked as if it came from Monzo. The scammer told Ms F he'd move her money to an encrypted account at N, and that N would call her to explain how to access the money.

The scammer then used the card for Ms F's Monzo account to make the following payments to an account which Ms F was led to believe was the encrypted account with N. In reality, it was an account at a third party.

	Date	Time	Amount
1	4 July 2024	12.44	£4,521.00
2	4 July 2024	12:47	£3,927.30
Total			£8,448.30

Following the second payment, the scammer kept Ms F waiting on the phone, and she became anxious that she'd been scammed. She contacted Monzo straight away.

One of our investigators considered the complaint, and thought it should be upheld in part. In summary, she didn't think Monzo had done anything wrong in making the first payment. But she thought it ought to have called Ms F when she made the second payment from her Monzo account, and should have asked her about the background to the payment. And she thought that if it had done so, it would have uncovered the scam and payment 2 wouldn't have been made. The investigator didn't think Ms F had acted unreasonably in making the payments, so she didn't think the compensation should be reduced to reflect any contributory negligence on Ms F's part.

The investigator also considered a separate complaint which Ms F brought against N. She thought that proportionate intervention by N would have meant that the bulk of the money that Ms F paid to the scam would never have reached her Monzo account in the first place. So she said N should reimburse Ms F the whole of the first payment she made from her Monzo account, and should share responsibility for payment 2 with Monzo.

My provisional decision

On 11 July 2025 I issued a provisional decision on the complaint to Ms F and to Monzo. I explained that both parties had accepted the investigator's view on the complaint against Monzo. But N had asked for an ombudsman's decision on the complaint against it. And the complaint about Monzo had been put on hold, pending the outcome of the complaint against N. I said that I'd now considered that complaint, and wasn't currently intending to uphold it. I explained that I was issuing a separate provisional decision setting out my current view of Ms F's complaint against N. This, in turn, meant that I needed to reconsider what Monzo should do to put things right.

I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Ms F authorised the payments. So even though she didn't intend the money to end up with a fraudster, the payments were 'authorised' under the Payment Services Regulations. Monzo had an obligation to follow the payment instructions it received, and Ms F is presumed liable for her loss in the first instance. But that's not the end of the story. There are some situations where it might be appropriate for a bank to take additional steps or make additional checks before processing a payment, to help protect customers from the possibility of financial harm from fraud.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, Monzo should have been doing the following to help protect its customers from the possibility of financial harm:

- *monitoring accounts and payments to counter various risks, including fraud and scams;*
- *keeping 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) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;*

- *acting to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring that all aspects of its products, including the contractual terms, enabled it to do so;*
- *in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and*
- *being mindful of - among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers) and the different risks these can present to consumers when deciding whether to intervene.*

Having thought carefully about what happened here, like the investigator, I don't consider that I can fairly require Monzo to reimburse Ms F for payment 1. While I recognise that it was a significant amount of money for Ms F, it wasn't of such a high amount that I think Monzo should have been concerned about it based purely on the size of the payment. And although the payment was to a new payee, I don't think there was anything on the face of it which ought to have prompted Monzo to be concerned that Ms F was at risk of harm from fraud.

Payment 2 was a different matter. As the investigator commented, it was a second substantial payment to the same payee, made within three minutes of the first payment. And it took the total amount that Ms F had transferred to that payee to £8,448.30. I agree with the investigator that a member of Monzo's staff ought to have contacted Ms F when she attempted the second payment, and that suitably probing questions would likely have revealed that Ms F had fallen victim to a scam. So although it would have been too late to prevent the first payment, I'm satisfied that proportionate intervention on Monzo's part would likely have prevented payment 2.

Both Ms F and Monzo told us that they agreed with the investigator's view of the complaint. However, I need to decide how the fact that I haven't upheld Ms F's complaint against N affects the compensation that it's fair to require Monzo to pay in this case.

The investigator said that N should be responsible for the whole of the first payment that Ms F made from her Monzo account to the scam, since the money wouldn't have been available in Ms F's Monzo account if N hadn't allowed it to be transferred to Monzo.

Ms F paid slightly more in total to the scam than she'd transferred from her account with N. So the investigator said that Monzo should refund £2,1370 of Ms F's loss. That was made up of:

- *£348.30 (the difference between £8,448.30 and £8,100); and*
- *£1,789.50 (half of the remainder of payment 2).*

However, as I don't consider that N did anything wrong by allowing the payments to be made to Ms F's account with Monzo, I consider it fair to require Monzo to reimburse Ms F the whole of payment 2."

And I said that Monzo should put things right by doing as I've set out under the heading "Putting things right" below.

Further submissions

Ms F accepted the findings in my provisional decision. Monzo also accepted my provisional decision, commenting that the rationale was fair and reasonable, and that it accepted that it had missed an opportunity to intervene.

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 don't consider that there's any good reason to depart from the findings I set out in my provisional decision.

Putting things right

To put things right, Monzo Bank Ltd should:

- Refund £3,927.30 to Ms F; and
- Pay simple interest at 8% per year on the refund from the date payment 2 was made from Ms F's Monzo account to the date of settlement.

If Monzo is legally required to deduct tax from the interest, it should send Ms F a tax deduction certificate, so she can claim the tax back if appropriate.

My final decision

My final decision is that I uphold this complaint in part. I require Monzo Bank Ltd to put things right by doing as I've set out under the heading "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 19 August 2025.

Juliet Collins

Ombudsman