

## The complaint

Ms A complains that Monzo Bank Ltd won't refund the money she lost when she was the victim of what she feels was a scam.

## What happened

In April 2025, Ms A found a training course she was interested in taking online. She checked the website and social media profiles of the company providing the course, which she says appeared professional and active. And she then made two payments from her Monzo account to pay for the course, as set out below:

Date	Amount
9 April 2025	£325
17 April 2025	£325

After making the payments, Ms A was told the course would run for half a day – rather than a full day, as she had understood it would do. She then requested a refund of the amount she had paid, but the course provider refused to refund her. So Ms A reported the payments she had made to Monzo and asked it to refund them.

Monzo investigated but said this appeared to be a dispute between Ms A and the course provider, rather than a scam. So it didn't agree to refund the payments she had made. Ms A wasn't satisfied with Monzo's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the circumstances here met the definition of a scam, and so didn't think Monzo was required to refund the payments Ms A had made. Ms A disagreed with our investigator, so the complaint has been passed to me.

## 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.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

The Payment Systems Regulator introduced the APP Scam Reimbursement (ASR) rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances. However, the rules only apply where the customer has been the victim of an APP scam, which the rules define as:

*“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer’s Relevant account to a Relevant account not controlled by the Consumer, where:*

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended”*

The rules also specifically outline that private civil disputes are not covered. And a private civil dispute is defined in the rules as:

*“a dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”*

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

*“Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”*

It also provided an example of a civil dispute:

*“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”*

So in order to determine whether Ms A has been the victim of a scam as defined in the ASR rules, I need to consider whether the payments were made for the purpose she intended and then, if they weren’t, whether this was the result of fraud or dishonesty on the part of the course provider.

I’ve thought very carefully about this and I think it’s a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is more likely to have happened, based on the evidence I do have.

The course provider has a large number of reviews on an online consumer review website, the majority of which are very positive. And I wouldn’t expect a company operating a scam to be able to arrange this number of positive reviews, while also seemingly avoiding many negative reviews.

From what I’ve seen of the communication between Ms A and the course provider, it appears that the course provider was still willing to provide at least some in-person training and a number of training materials to Ms A – albeit with less in-person time than Ms A understood when she booked the course. But I’d usually expect a scammer to not provide any service once they have been paid by a victim. So I think this suggests the course provider was attempting to operate legitimately.

The bank the payments were made to has also told us it hasn’t received any other scam reports against the account and doesn’t have any concerns about how the account was being run. But scammers usually target a number of people at once, in order to make as much money as possible before the scam is uncovered. So I’d expect to see other scam reports to the same account around the same time if the course provider was operating a scam.

I've also seen evidence relating to the account the payments were made to, and while I can't share any details of this evidence, I think it shows the account appears to have been run at the time as I would expect a legitimate business' account to have been run and doesn't suggest it was being used to operate a scam.

I appreciate Ms A has said she feels the course was misrepresented in the adverts and promotional material she saw, and that the course provider withheld information or significantly altered the nature of the training after she had made the payments. But while these issues may mean she could make a claim against the course provider under consumer protection legislation, any such claim wouldn't be the responsibility of Monzo, and I don't think the issues go far enough to say the course provider was operating a scam.

Ms A has also mentioned that course provider was rude and stopped communicating with her when she requested a refund. But while this might suggest the provider wasn't acting as I would expect a professional business to do, acting unprofessionally is not the same as intending to operate a scam.

So I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the course provider intended for these payments was different than the purpose Ms A intended, or that the payments weren't made for the purpose Ms A intended. I think both Ms A's and the course provider's intended purpose for the payments was the same – to pay for a training course. While Ms A feels she was misled about the length or contents of the course, I don't think this meets the definition of a scam from the ASR rules.

And so I think Monzo has acted reasonably in saying the circumstances here don't meet the definition of a scam from the ASR rules, and in not agreeing to refund the payments Ms A made as a result.

I also don't think there are any other grounds on which it would be fair and reasonable to require Monzo to refund the payments Ms A made here.

I sympathise with the position Ms A has found herself in and I recognise she hasn't received the training course she understood she was paying for. I'm also in no way saying she did anything wrong or that she doesn't have a legitimate grievance against the course provider. But I can only look at Monzo's responsibilities and, for the reasons I've explained above, I don't think it would be fair to hold Monzo responsible for the payments she made here.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 6 February 2026.

Alan Millward  
**Ombudsman**