

The complaint

Mr L is unhappy Monzo Bank Ltd (“Monzo”) hasn’t offered him a refund after he complained about being the victim of a scam.

What happened

In early 2025, Mr L reached to a personal trainer (“B”). Mr L told B he was recovering from some poor mental and physical health and wished to arrange some personal training sessions to aid his recovery. Mr L also told B he was facing some financial limitations which meant he wouldn’t be able to pay for block sessions upfront. B agreed to take on Mr L as a client on a “pay-per-session” basis.

Over the next 10 weeks, Mr L attended two sessions a week with B. All sessions went as planned and were paid for by Mr L within 24 hours of each session being completed.

However, going forward, B decided that all clients would be required to book block sessions which they would need to pay for upfront and he told Mr L that he would no longer be able to continue their sessions on a pay-per-session basis. Unhappy with this, Mr L reminded B about his circumstances and their original arrangement but B declined to continue the client relationship.

Mr L now believes he has been the victim of a scam. He says B knew that he was vulnerable and that his finances were limited. Mr L believes B misrepresented that he would be able to continue the arrangement as originally agreed.

Mr L contacted Monzo to tell them what had happened and to ask for a refund of the amount paid to B.

Monzo didn’t agree to offer Mr L a refund. It said it didn’t think he had been the victim of a scam. It thought his circumstances amounted to a private civil dispute between him and B. Mr L disagreed and brought his complaint to this service where one of our investigators looked into things.

The investigator agreed this was most likely a civil dispute between Mr L and B, rather than a scam. They said Mr L had ultimately got what he paid for – the personal training sessions which went ahead as agreed. The investigator also looked into the concerns Mr L had raised about how Monzo had treated him after he reported being the scam and whilst they acknowledged that Mr L had been referred to multiple different departments, they didn’t think the service Monzo had provided fell short of what they would expect in a complaint of this type.

Unhappy with this outcome, Mr L asked for his case to be reviewed by an ombudsman and the complaint was 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.

Having reviewed all the evidence available to me, I agree with the outcome reached by our investigator, for largely the same reasons, and I won't be upholding this complaint. I'll explain why in more detail below:

The APP Scam Reimbursement Rules

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."*

Private civil disputes are not covered by the rules. The term 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."

The Payment Systems Regulator in its published policy statement PS23/3 gives further guidance:

"2.6 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 provides an example of when this might apply:

"...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, when deciding this complaint, I firstly have to think about whether it was reasonable, in light of the above, for Monzo to deem Mr L's circumstances a private civil dispute between him and B. In the particular circumstances of this case, I'm satisfied it was. I say this because I'm not satisfied Mr L has been deceived, persuaded or manipulated into making a payment that wasn't for the purpose he intended.

In order for Mr L to have been the victim of an APP scam, he must have been deceived about the very purpose for which his payments had been procured. Here the purpose of the payments was to pay for personal training sessions – and Mr L received the training sessions he paid for. B did not deceive him about the purpose of the payments; he provided

the service Mr L requested. So, whilst I understand Mr L is unhappy that the training sessions have not continued on a pay-per-session basis and that B will no longer provide him with personal training sessions, that is primarily a dispute between two parties which is specifically excluded under the ASR.

As Monzo didn't need to consider this as an APP scam then it didn't need to go on to contact the recipient account provider. It didn't need to intervene with any of the payments either. They were all low in value and being sent to pay for services that had already been provided. Which is the nature of questions and advice a bank ought to provide before a service is paid for. I've seen no other reason to recommend that Monzo offer Mr L a refund of the amount he paid for the personal training sessions that were provided to him. I'm satisfied that Monzo correctly considered Mr L's claim and I won't be recommending it do anything further now.

Additional compensation

I understand Mr L is also unhappy with the way Monzo handled his complaint after he reported being the victim of a scam. Specifically, he said:

- Monzo mishandled his case, failed to support him as a vulnerable customer and treated his concerns with what he felt to be deliberate indifference.
- Failed to provide him with cohesive support and passed him between multiple departments.
- Important messages disappeared in Monzo's app which made it difficult for him to respond or follow up.
- There was confusion about where he needed to send evidence to and his questions went unanswered for a long time.
- He only received a final response letter when he insisted on receiving one.
- The tone and conduct of Monzo staff felt passive-aggressive and disingenuous, which added to his distress.

Monzo has provided me with a transcript of the in-app chat that took place between its advisors and Mr L. I have read it in full.

Having done so, I don't agree Monzo mishandled Mr L's complaint. So, whilst I understand that Mr L may have wanted quicker responses to his questions, I don't think any of Monzo's response times were unreasonable. And whilst I acknowledge that Mr L spoke to different people / departments within Monzo, I'm satisfied this was because, after speaking with some of Monzo's frontline staff, his complaint was then sent to the fraud department to be dealt with – which was the correct internal process at Monzo.

I haven't seen anything in the messages shared between Mr L and Monzo that makes me think Monzo's advisors were being passive aggressive or disingenuous when dealing with Mr L. A final response letter was issued to him once he had confirmed he would like to raise a complaint after receiving Monzo's initial response to his claim and any issues with sending information was apparently quickly resolved. Monzo also dealt with Mr L's complaint within the given timeframes.

Overall, I haven't seen anything that persuades me Mr L's complaint was fundamentally mishandled or that there were any significant service issues. For these reasons, I won't be recommending Monzo pay Mr L compensation now.

My final decision

My final decision is that I do not uphold this complaint about Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 December 2025.

Emly Hanley Hayes
Ombudsman