

The complaint

Mrs G complains that Monzo Bank Ltd ('Monzo'), hasn't reimbursed the money she believes she lost to an authorised push payment ('APP') scam.

What happened

The details of this case are well-known to both parties, so I don't need to repeat them at length here.

In summary, Mrs G made a payment of £1,247 to a company – which I'll call 'Company L', to publish her book. Mrs G's book was meant to be published within 12 months, but after 24 months she hadn't received anything. Mrs G considers Company L had no intention of providing the service she paid for, and it had therefore defrauded her.

Mrs G complained to Monzo about the matter. Mrs G referenced an online article that detailed Company L's actions and which advised there were around 200 victims; an investigation carried out by a national television programme; and a criminal investigation which she considers all support her contention that she was the victim of fraud and should therefore be reimbursed.

Monzo considered the matter under a voluntary code called the 'Contingent Reimbursement Model' (the CRM Code). The CRM Code was in force at the time Mrs G had made the payment and to which Monzo had committed to apply to APP payments.

The CRM Code provided increased protection for customers who are the victims of scams. But the CRM Code didn't apply to every type of disputed payment. The CRM Code didn't apply to disputes that are deemed to be a 'civil dispute' between two parties.

Monzo deemed the matter was a civil dispute between Mrs G and Company L. So, it considered the CRM Code didn't apply to the payment Mrs G had made. But Monzo did offer and pay £50 for the delay in providing its answer to Mrs G.

Unhappy, Mrs G referred the matter to our service. One of our Investigators reviewed the matter. In short, they didn't uphold the complaint, as they also considered the matter was a civil dispute – and therefore said the CRM Code didn't apply to the payments Mrs G had made. So, they didn't consider Monzo was liable to refund Mrs G.

Mrs G disagreed and has asked for an ombudsman's review as the final stage of our process.

So, as the matter hasn't been resolved, it's been passed to me to decide.

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.

Mrs G has made detailed submissions in support of her complaint. I would like to assure Mrs G that I've read and considered everything she's sent in. However, I don't intend to respond in similar detail. 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 – which is whether Monzo acted fairly in its answering of the complaint that the matter is a civil dispute, and it is therefore not liable to reimburse her under the provisions of the CRM Code. 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm sorry to hear of what's happened to Mrs G. She paid money in good faith to Company L in order to have her book published. She clearly didn't receive anything like the service she expected – and it's left her out of pocket as a result.

But having thought carefully about Monzo's actions, I don't uphold Mrs G's complaint. I do appreciate how disappointing this will be for her, but I don't think Monzo has acted unfairly in its answering of the complaint that the matter is a civil dispute and that it is therefore not liable to reimburse her under the CRM Code. I'll explain why.

The starting position in law is that Mrs G will generally be considered liable for authorised payments. It's accepted that she authorised the payments in dispute and so she is liable for them in the first instance. At the time Mrs G made the disputed payment, Monzo had committed to apply the principles of the CRM Code. The CRM Code provided additional protection from APP scams, but only in certain circumstances.

When Monzo received Mrs G's claim, it said it didn't think she'd been the victim of an APP scam and that she has a civil dispute with Company L, meaning it didn't need to reimburse her under the principles of the CRM Code because it didn't apply to her circumstances. For me to say that decision was wrong – and Monzo should've refunded Mrs G's payment in full – I'd first need to be satisfied that the CRM Code *is* a relevant consideration in the circumstances.

The CRM Code can only apply where the victim's payment meets the CRM Code definition of an APP scam.

Under DS1(2)(a) of the CRM Code, an APP scam is defined as:

“(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or

(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.”

And DS2(2)(b) of the CRM Code says it doesn't apply to:

“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”

There's been no suggestion made that Mrs G was deceived into transferring her funds to a different person. So, DS1(2)(a)(i) doesn't apply in these circumstances.

To uphold Mrs G's complaint under DS1(2)(a)(ii) of the CRM Code, I'd need to be reasonably satisfied that it is more likely than not that Company L received her payment for a fraudulent purpose. So, I've carefully considered whether the evidence suggests that Company L was most likely the "legitimate supplier" of a service or whether Mrs G's payment meets the CRM Code definition of an APP scam.

The purpose of a payment forms part of the CRM Code definition of an APP scam. As such, the reason Mrs G made the payment is a relevant consideration when determining whether the CRM Code applies in these circumstances or not. For me to say the CRM Code applies in this case, I need convincing evidence to demonstrate Mrs G was dishonestly deceived about the very purpose of the payment she made.

I've considered the evidence available, but I can't fairly conclude that Mrs G has been the victim of an APP scam in line with the above required definition. As a result, I'm not persuaded it was unfair or unreasonable for Monzo to conclude that Mrs G's situation is a civil dispute between her and Company L. This means Monzo isn't required to reimburse Mrs G under the provisions of the CRM Code. I know this outcome will come as a bitter disappointment to Mrs G, so I'll explain why.

According to Companies House, Company L was incorporated in July 2013. And Company L had successfully published a number of books which have been made available to purchase from a number of retailers. It appears that Company L had published books in 2022 (when Mrs G made her payment), and published books in 2023 and 2024 albeit in lower quantities. So, it seems that Company L had been operating and providing customers the services it had been paid for.

I can see Mrs G entered into a contract with Company L, which set out the terms of the agreement. I understand that there are clauses within that contract that Mrs G has issue with and that Company L have sought, potentially unfairly, to rely on. And Company L also hasn't fulfilled its obligations under the contract to publish Mrs G's book. So, I can certainly understand why Mrs G would consider Company L has scammed her. But a contractual dispute doesn't necessarily indicate evidence of fraud by Company L from the outset – here that is Company L never intending to carry out the due process required resulting in the publishing of Mrs G's book.

There are, to my mind, two possible explanations for why Mrs G's book wasn't published. It's possible that Company L never intended to publish it and simply stole her money, which is what Mrs G considers has happened. But I also have to weigh up and consider the possibility that Company L had the intention of publishing the book, but was unable to satisfy its contractual obligations due to other reasons – such as having taken on too much work or having a severe cashflow problem as two possible examples. With the latter example, I note Mrs G has provided an email from Company L (dated March 2025) in which it states that it was the victim of a substantial theft, orchestrated by a former employee, between 2023 and 2024. If this is true, and it seems the case given Company L provided the 'Police Crime Report' and 'Suspect Freezing Order', then it would likely have had serious implications for Company L's ability to meet its contractual obligations with Mrs G and other customers.

I can't say for certain which possible explanation applies here. When I can't say for certain, I have to think about what's more likely than not, based on the balance of probabilities.

To help me reach a conclusion on whether Mrs G has more likely than not been the victim of an APP scam, I've carefully considered the information obtained from Company L's bank.

Having reviewed Company L's statements, I can see transactional activity that's consistent with Company L having been a legitimate publisher. Company L was receiving funds from an online retailer and passing funds on to authors it had successfully published books for. There are also payments which appear to relate to Company L hosting book events. And I note from Mrs G's testimony to Monzo that she had seen Company L post photos at an event at the British Library.

However, there is also a substantial amount of personal expenditure that doesn't appear to relate to book publication or marketing and funds have been withdrawn to third party accounts in the names of Company L's directors. Also, it's clear from the statements that Company L entered into a large number of contacts and received a high number of payments, yet only published a small number of books in 2022 (and onwards).

Mrs G has provided a link to an online article about Company L, which supports Mrs G's claims there are many individuals who paid Company L without their books being published. Other individuals have claimed their books were published by Company L, but they haven't received any royalties.

The online article is damning in respect of how Company L was treating its customers. The article references why customers were unhappy, citing lengthy publication delays, silence on the editing process, refusal of termination notices, lack of communication, absent e-book issues and threats of legal action in response to complaints. It also references Company L's contract evolving over time, with the article suggesting it was done in order to protect itself from author complaints whilst keeping the intellectual property rights to its customers books.

But the article does also note that books were published and available on two well-known retail platforms albeit with limited stock and delivery lags. It also notes that 44 books were published in 2022, with that number dropping in 2023. I also note that Company L responded in some detail to the article stating, in part, "*there is no evidence that [Company L] has engaged in any dishonest or unlawful behaviour or conduct.*" So, while there are certainly poor business practices seemingly at play, it does not conclusively evidence that Company L set out with intent to defraud Mrs G and never intended on publishing her book. Again, a possibility was that it was poorly ran, both financially and operationally and subsequently struggled in 2023.

Company L was also investigated by, and the focus of, a national television programme. This programme did highlight one customer wasn't happy with the length of time it took to receive an edited version of their book and they weren't happy with the work that had been done.

The programme highlighted that Company L's contracts allowed it to keep customer's funds if customers decided to terminate the agreement and Company L would be allowed to keep the rights to publish the books regardless. It didn't go as far as to say Company L had taken customers' funds with no intention of publishing their books and the allegations made within the programme focus more on unfair contractual terms, rather than suggesting Company L was a scam. The programme suggests that Company L should do the right thing and refund those customers it let down – but it doesn't state Company L had intent to scam from the outset.

Whilst I appreciate the online article and television programme paint Company L in a bad light and allege questionable business practices, they don't conclusively demonstrate that Company L had no intention of publishing Mrs G's book – or other individuals that paid it for this service.

I'm aware that one of Company L's directors had attempted to conceal their true identity. I can understand why Mrs G would reasonably take negative inferences from this – in light of her experience with Company L. But and as Mrs G has also noted, the individual was previously convicted of other crimes (not related to fraud) and so there is a possibility they were potentially attempting to hide their identity from customers due to their past, rather than because they were trying to defraud them.

Across all the information I've seen, it does appear that Company L was operating with sharp business practices, such as potentially using fake online reviews, using contract terms that made it very difficult to withdraw or complain about Company L and that it was hostile in response to customers who did complain or write negative reviews about it online. However, I'm not persuaded this is sufficient to say Company L wasn't intending to publish Mrs G's book, especially when it had published books for other authors prior to and after Mrs G's payment was made.

I accept that I've seen no evidence to suggest that Company L has done any work in exchange for the payment Mrs G made nearly three years ago. However, I've also seen no evidence to show that it hasn't. And this service doesn't have the power to require Company L to provide evidence. So, I can't say for certain either way if Company L has started the editing and publishing process for Mrs G.

I'm also very aware that Company L has been the subject of a criminal investigation and its former directors are due to stand trial in the future. However, the details of that investigation haven't been shared with this service. So, whilst I appreciate Trading Standards believe there is a case to prove wrong doing on behalf of Company L, as the specifics of the allegations against Company L (and its former directors) haven't been shared, I'm not persuaded that's enough to demonstrate that Company L had no intention to publish Mrs G's book at the time she made the payment.

I appreciate that other individuals, in similar circumstances to Mrs G, may have received a refund of their losses having complained separately to their banks about payments made to Company L. But I can't comment on the outcome of other claims or complaints or the reasons a financial firm chose to reimburse.

For Mrs G's benefit, other firms may choose to reimburse its customer as a gesture of goodwill, other firms may have considered Company L's actions were sufficient enough – in their view – to indicate a scam had taken place, and other customers may have made payments through other methods such as debit or credit card which offer protections that aren't available to faster payments. However, I can only consider the circumstances of the complaint before me. Here Monzo declined reimbursing Mrs G as it deemed the matter was a civil dispute which is something that is not covered by the provisions of the CRM Code. And my role is to determine whether Monzo acted fairly in reaching the outcome it did.

I have natural sympathy for Mrs G. Clearly, she didn't receive the service she expected and has been left out of pocket. Company L had questionable business practices which she and many others are dissatisfied with. However, the test I have to apply in this case is whether Company L dishonestly deceived Mrs G into paying an amount to assist in publishing her book – with it having no intent to do so. I'm not persuaded there's sufficient evidence currently available to say Company L obtained Mrs G's payment for a fraudulent purpose. So, I can't say that Monzo acted unfairly or unreasonably in treating Mrs G's claim as a civil dispute between her and Company L.

I'm also satisfied that there wasn't anything else Monzo could have done to either prevent the loss when Mrs G initially made the payment or recover any funds subsequently. I say this because the payment Mrs G made wasn't remarkable enough or out of character to such an extent whereby I would expect Monzo to have concerns about it and intervene. And I'm also mindful Mrs G believed it was a genuine payment being made for a genuine purpose – so I don't think any potential warning Monzo may have given would have prevented Mrs G from proceeding with the payment at the time. And as the payment wasn't made by debit or credit card, the various schemes available that offer protection to those methods of payments weren't available to Monzo or Mrs G either.

Finally, I note that Monzo offered and paid £50 for the delay in it providing its outcome on the claim to Mrs G. The amount seems fair, all things considered, and I'm glad to see that Monzo were aware it exceeded the applicable timeframes and recognised that it would have caused some additional and unnecessary distress and inconvenience.

In closing, I would add that I do recognise that the circumstances may change in the future and new material evidence may come to light, for example after the court case that is scheduled. Should that happen, Mrs G may approach Monzo with any new material evidence and ask it to reconsider her claim for reimbursement under the CRM Code.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 7 November 2025.

Matthew Horner
Ombudsman