

The complaint

Miss A is unhappy Monzo Bank Ltd will not refund the money she lost as the result of a scam.

What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Miss A fell victim to a job/task scam. She was contacted via WhatsApp and offered the opportunity to complete tasks (promoting and reviewing products online) to earn commission. She was told that to access the tasks she needed to make payments in advance in cryptocurrency. She made the following debit card payments to a digital wallet in her name at a cryptocurrency exchange.

payment	date	value
1	08/02/2024	£220
2	21/02/2024	£810
3	04/03/2024	£1,880
4	04/03/2024	£20
5	25/03/2024	£230
6	04/04/2024	£1,000
7	04/04/2024	£166.42

Miss A realised she had been scammed when she was unable to withdraw the commission she had supposedly made. She says Monzo did not do enough to protect her money.

Monzo says Miss A authorised the payments. It was not the point of loss, Miss A moved the money to a digital wallet account in her name which Monzo has no control over, so it cannot be held liable.

Our investigator did not uphold Miss A's complaint. She did not find Monzo ought to have done anything differently when it followed Miss A's payment instructions.

Miss A disagreed with this assessment and asked for an ombudsman's review. She said the transactions were highly unusual compared to her typical banking activity so Monzo should have stopped them for further checks; when she reported the fraud the bank was slow and unhelpful; and Monzo's refusal to refund her money ignores the fact she was manipulated by criminals using sophisticated and deceptive tactics.

She added that under the Contingent Reimbursement Model (CRM) code customers who fall victim to authorised push payment (APP) fraud through no fault of their own may be entitled to a refund. She took reasonable steps to protect herself and did not act negligently. There were also mitigating circumstances as she was vulnerable at the time, having recently been diagnosed with a serious illness.

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.

There's no dispute that Miss A made and authorised the payments. Miss A knew who she was paying, and the reason why. At the stage she was making these payments, she believed she was buying cryptocurrency to allow her to access to tasks that she would earn commission for completing. I don't dispute Miss A was scammed but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017. But it doesn't end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that by early 2024 Monzo should fairly and reasonably have:

- been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- had 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 firms are generally more familiar with than the average customer;
- acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

In this context I don't find Monzo can be held liable for Miss A's losses. I'll explain why.

Banks have to strike a balance between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. In this case I am not persuaded any of the payments showed indicators of possible financial harm such that Monzo needed to intervene.

Some were higher in value than Miss A's typical transactions but it isn't uncommon for accountholders to make the occasional higher value payment. And they were not of such a value that that alone ought to have concerned Monzo. The payments were made over a two-month period, so not in quick succession. And there was no pattern of consistently increasing value. I accept they were to a new payee that was identifiably linked to cryptocurrency, but these two factors alone would not mean the payments ought to have triggered a warning – given all the other characteristics I have previously described.

It follows I cannot find Monzo was wrong to follow Miss A's payment instructions without making further checks.

Miss A referenced the CRM code and although Monzo is not a full signatory it does follow its principles. However, the code does not apply to debit card payments or payments made to accounts in the same customer's name so those principles do not apply to this case.

I have then considered whether Monzo did what we would expect to try to recover Miss A's money after the scam was reported. As the payments were made by debit card the recovery

route would be using the chargeback scheme. But I don't consider that chargeback claims would have had any prospect of success. So it was reasonable Monzo did not raise claims. This is because there's no dispute that the cryptocurrency exchange provided the service it sold to Miss A - the funds appeared in her digital wallet and she subsequently sent them to the scammer. So I don't find any failing on Monzo's part in this regard.

Miss A explained her vulnerability to this service, and I am sorry to hear what she has been through. I can see that after she told Monzo on 13 February 2024 (in relation to a different issue) a specialist from Monzo contacted Miss A three days later to see if she wanted it to signpost support and it asked how/if it impacted the way she managed her finances. But Miss A did not respond with any information and nor she did give the consent Monzo needed for a marker to be added to her account. In these circumstances I would not expect Monzo to have done anything differently when processing any of these scam payments.

Finally, Miss A said Monzo was slow and unhelpful when she reported the scam. I don't find that to be the case. She reported it on 4 May 2024 and it had made its decision to reject the claim by 7 May 2024. I can see she needed assistance reporting it as her account was closed by this time but this did not cause a delay.

Overall, this means I am not instructing Monzo to refund any money to Miss A. This is a difficult decision to make, I'm sorry Miss A lost a considerable amount of money which was very distressing for her. I hope she now has the support she needs. I can understand why she would like to be compensated for her loss. And I do accept, as Miss A said, that she has fallen victim to a cruel scam and was manipulated by criminals using sophisticated and deceptive tactics.. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Monzo can be held liable in the circumstances of this case.

My final decision

I am not upholding Miss A's complaint.

Under the . of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 3 November 2025.

Rebecca Connelley
Ombudsman