

The complaint

Miss I is complaining about Monzo Bank Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss I fell victim to a cruel job scam. After responding to a text message claiming to be from a recruiter, she was offered a fake employment opportunity which required her to pay to access sets of tasks for which she expected to be paid upon completion.

Between 5 and 9 August 2024, Miss I used her Monzo account to make 18 card payments to the scam totalling over £17,000. The money was sent via accounts with legitimate third-party payment processors.

Our investigator didn't recommend the complaint be upheld. He noted that Monzo did contact Miss I to ask about the reason for the payments but she hid this on the instruction of the scammers, meaning it was unable to uncover the scam.

Miss I didn't accept the investigator's assessment. She made a number of further points, particularly explaining she was vulnerable at the time due to the state of her mental health, which required medication, and that she was threatened by the scammers, meaning the payments were made under duress.

The complaint has now been referred to me for review.

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've reached the same overall conclusions as the investigator. Miss I has made extensive submissions in response to the investigator's assessment but I haven't necessarily commented on every single point directly, instead concentrating on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

In this case, there's no dispute Miss I knew the payments were being made and that she carried out the actions necessary for them to take place. I note she's said she received

threats from the scammer, but I understand these took place during a phone call rather than through their text chats, meaning I've been unable to verify that any of the payments were made under duress. Without further evidence to support her recollections on this issue, I do consider that the payments were authorised.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Miss I.

The payments

I must take into account that many similar payment instructions Monzo receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly. Having considered what it knew about the initial payments at the time, including that the amounts were low, I don't think Monzo had any particular reason to be concerned. But by 9 August, as the number and size of the payments increased, I find that the bank ought to have suspected Miss I could be at risk of harm from fraud and taken steps to intervene in the payment process.

It appears Monzo did recognise this risk and required Miss I to speak to one of its agents on 9 August. During the call, she was asked to confirm the reason for the payments and she said she was sending money to help her family abroad. She explained that their requests for money were either received by text message or during calls and that this was something she expected to do regularly as and when they required her assistance. Miss I also provided the bank with screenshots from her account with the payment processor as evidence to support her account.

We asked Miss I why she hid the real reason for the payment from Monzo and she says she spoke to the scammer first who told her what to say when she was asked about it. She also says the scammer threatened her, but I've been unable to verify that as explained above.

Having thought carefully about the risks presented by the payments, I think requiring Miss I to speak to one of its agents to explain their purpose was a reasonable and proportionate response from the bank. But the success of any scam intervention like this depends to some extent on the consumer providing accurate information about the payments being made. If Miss I had explained she was paying money for online work, I'd have expected Monzo to identify it was likely to be a scam and to have explained this to her. In this case, however, she gave a different reason that would reasonably have seemed plausible to the bank and this hampered its ability to uncover the scam. This was despite warnings in her online chat with the agent that she may not receive reimbursement if she misrepresented the reason for a payment and it turned out to be part of a scam.

I want to be clear that it's not my intention to suggest Miss I is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to

consider the actions of Monzo and, having done so, I'm not persuaded these were the cause of her losses.

I've noted Miss I's reference to the Financial Conduct Authority's Consumer Duty and I've taken account of the bank's obligations following its introduction, but I'm not persuaded this changes the outcome here. While Monzo was expected to avoid causing her foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm she suffered, nor do I think that harm was reasonably foreseeable given the information it had at the time.

In particular, I note Miss I's reference to her mental health situation and I wish her all the best as she continues to deal with this. But crucially, Monzo has no record of being told about Miss I's vulnerability before the scam was reported. This means it couldn't take her condition into account in responding to the activity on her account and any increased risk of her falling victim to a scam because of her condition couldn't reasonably have been foreseen.

Recovery of funds

I've also looked at whether Monzo could or should have done more to try and recover Miss I's losses once it was told the payments were the result of fraud.

The payments Miss I made to the scammers were made by card rather than transfer, meaning she's not eligible for reimbursement under the Contingent Reimbursement Model (CRM) Code. The correct method for recovering card payments is the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. But a chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

I'd only expect Monzo to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Miss I sent the payments via legitimate payment processors and would have received a service that involved collecting her money and then forwarding it to the account details she provided it with (albeit those details were provided by the scammers). Miss I's disagreement is with the scammers, not the payment processors and it wouldn't have been possible for Monzo to process a chargeback claim against the scammers as she didn't pay them directly.

In the circumstances, I don't think anything that Monzo could have done differently would have been likely to result in Miss I's money being recovered.

In conclusion

I recognise Miss I has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Monzo acted fairly and reasonably in its dealings with her and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 1 December 2025.

James Biles
Ombudsman