

## The complaint

Miss G complains that Monzo Bank Ltd ('Monzo') won't refund the money she lost after falling victim to two scams. Miss G also complains about the poor customer service she has received from Monzo.

## What happened

In March 2023, Miss G fell victim to two scams.

Miss G was looking for work and found an advert on a social media site. The job involved completing tasks in relation to hotel bookings and only required 1-2 hours work per day. Miss G was told she could expect to earn between £93 and £250 per day and she was required to purchase cryptocurrency to fund the tasks.

When Miss G had completed her tasks, she was unable to withdraw her earnings or commission and realised it was a scam.

The same week, Miss G received a message on her laptop which appeared to come from a genuine software company, saying her laptop and phones had been compromised. In order to protect her, Miss G was told to open an account with a cryptocurrency exchange and send funds to that account. She was also asked to download screen sharing software, so they could guide her on what to do.

Miss G was unable to recover the money transferred and realised this was also a scam. These are the payments Miss G made as part of the scams.

Date	Pmt no	Details of transaction	Amount
21.3.2023	1	Card payment to B – a cryptocurrency exchange	£122.09
21.3.2023	2	Bank transfer to an individual – to purchase cryptocurrency	£177.00
21.3.2023	3	Bank transfer to an individual – to purchase cryptocurrency	£287.00
21.3.2023	4	Card payment to B – a cryptocurrency exchange	£441.94
21.3.2023	5	Card payment to B – a cryptocurrency exchange	£942.19
21.3.2023	6	Card payment to B – a cryptocurrency exchange	£1,521.60
23.3.2023	7	Bank transfer to an individual – to purchase cryptocurrency	£200.00
23.3.2023	8	Bank transfer to an individual – to purchase cryptocurrency	£600.00
23.3.2023	9	Bank transfer to an individual – to purchase cryptocurrency	£500.00
23.3.2023	10	Bank transfer to an individual – to purchase cryptocurrency	£170.00

In March 2023, Miss G contacted Monzo about both scams and asked to be refunded.

Monzo declined to refund Miss G, so she brought a complaint to our service.

While the complaint was with our service, Miss G raised new points in relation to the overdraft fees and charges incurred on her account as a result of the scam payments.

An investigator looked into Miss G's complaint and partially upheld it. The investigator was satisfied that Monzo should've been concerned when Miss G made payment five and contacted her about the payment. If they had, the investigator believed the scam would've been uncovered and Miss G's loss prevented. However, the investigator felt Miss G should've been concerned about the legitimacy of what she was being told, so it was fair for her to share responsibility for her loss with Monzo. As the investigator was satisfied that Monzo could've prevented part of Miss G's loss, they felt it was fair for Monzo to remove any interest and charges applied to Miss G's account as a result of her going into overdraft from the scam payments. The investigator felt the customer service that Miss G had received was poor and recommended that Monzo pay £150 compensation in total, which includes any compensation already paid.

Monzo agreed with the investigator's recommendation. Miss G didn't agree and says that Monzo lacks effective monitoring systems to protect its customers. Miss G asked for an ombudsman to review her case.

### **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 deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I have reached my decision on the balance of probabilities. In other words, on what I consider more likely than not happened in light of the available evidence.

In broad terms, the starting position at law is that a bank like Monzo is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Miss G authorised these payments, although she did so not realising she was the victim of a scam.

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Monzo should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Monzo to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks do.

### Is Miss G entitled to a refund for the payments she made as part of the scams?

The payments made prior to payment five, weren't so unusual or out of character that I would've expected Monzo to be concerned or to have intervened. They were relatively low in value and Monzo has to find a balance between identifying potentially concerning payments and taking appropriate action, while ensuring minimal disruption to legitimate payments. As I'm not satisfied they should've intervened on the first four payments, I can't fairly hold them liable or ask them to refund these payments.

But I'm satisfied that by the time Miss G made payment five, Monzo should've been concerned and identified a potential risk of financial harm from fraud. I say this because Miss G had made five payments in a short period of time, with escalating values and some of which were identifiably related to cryptocurrency. These are all potential signs of a scam or fraud.

As part of the intervention, I would've expected Monzo to have asked open and probing questions about the reason for the payments. If they had, I think it's more likely than not Miss G would've told them about the circumstances surrounding both scams, why she was making the payments, what the scammers had told her. There is nothing to indicate that Miss G wouldn't have been honest in answering their questions.

Based on the information they would've been given, I'm satisfied that Monzo should've identified that Miss G was the victim of two scams. Had Monzo explained that and why they believed they were scams, I'm satisfied that it's more likely than not Miss G wouldn't have made any further payments.

So, I'm satisfied that Monzo could've prevented Miss G's loss from payment five onwards. But that doesn't mean that Miss G is entitled to a full refund on those payments, as I have to consider whether it's fair for her to share any liability for her loss.

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

I'm satisfied that Miss G should've been concerned about the information she was given by the scammers. I say this because:

- Miss G was offered a job but with no usual employment documentation or contracts. Miss G says she has worked previously, so she should be aware of the paperwork that is usually involved in applying for, and being accepted for, a job.
- The return that Miss G was offered for the job was too good to be true. For 1-2 hours work per day she was told she could make between £93 to £250, with no experience and limited training.
- It's also unusual to be asked to pay as part of your employment, particularly in cryptocurrency.
- With regards to the second scam, it's unclear what if any checks Miss G did when she was told her devices had been hacked. It appears that she accepted at face value what she was told after being contacted unexpectedly. Also, she was asked by the scammers to share her banking details with them, which no genuine company would ever ask her to do. They also asked her to download screen sharing software, which enabled them to see everything that she was doing when she accessed her bank accounts. This should've concerned Miss G.

Because of the number of red flags that I've set out above, I think Miss G should've been concerned about the legitimacy of what she was told and completed checks before making

any payments. If she had, I think it's more likely than not she would've realised that she might be falling victim to two scams.

On that basis, it's fair for Miss G to share liability for her loss with Monzo, so the refund from payment five onwards is reduced to 50%.

As Miss G has been without the use of the money that was lost as a result of the scam, she is entitled to be paid simple interest of 8% per year on the refund, calculated from the date of the payments (payments five to 10) to the date of settlement.

#### The impact on Miss G's account as a result of the scam

Because of the loss Miss G incurred as a result of the scam, she was left in a dire financial situation and couldn't afford to deposit funds into her account. This meant that her account went into overdraft and fees were charged on her account. As I'm satisfied that Monzo could've prevented her loss from payment five onwards, it's fair for them to remove the fees and charges added due to the overdraft caused by these payments made to the scams.

#### The customer service Miss G received from Monzo

Miss G is very unhappy with the customer service she's received from Monzo.

Miss G didn't understand what would happen after she reported the fraud, or what action Monzo would take in relation to the fraud. Also, Monzo took longer than it should've to give Miss G an answer on her fraud claim. This added to Miss G's distress at an already difficult time. On that basis, I'm satisfied that compensation of £150 is fair in the circumstances. This is the total compensation that Miss G is entitled to, so if Monzo have already paid her £75 compensation, they only need to pay an additional £75.

It's worth explaining that compensation for poor service doesn't take into account Miss G's loss as a result of the scam, or the distress caused to Miss G by the scammers who took advantage of her.

I appreciate that Miss G lost over £5,000 as a result of the scam, but I'm not satisfied that she is entitled to a full refund, for the reasons explained above.

#### **Putting things right**

To put things right I require Monzo Bank Ltd to:

- Refund 50% of payments five to 10 inclusive, being £1,966.89
- Pay simple interest of 8% per year on the refund, calculated from the date of the payments until the date of settlement.
- Remove any fees and charges Miss G incurred on her account as a result of the scam payments that I'm asking them to refund.
- Pay compensation of £150. If Monzo has already paid Miss G any compensation, this can be deducted from the £150.

#### **My final decision**

My final decision is that I uphold this complaint against Monzo Bank Ltd and require them to compensate Miss G, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 7 January 2026.

Lisa Lowe  
**Ombudsman**