

The complaint

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

Miss M brought her complaint through a representative. For ease of reading I will refer solely to Miss M in this decision.

What happened

As both parties are aware of the details of the scam, I will not repeat them in full here. In summary, Miss M fell victim to two job/task scams. In both instances she was contacted via WhatsApp and offered the opportunity to complete tasks (app optimisation) to earn commission. Both times, she was told that to access the tasks, and later to clear negative balances, she first needed to make deposits in cryptocurrency. She made the following payments and then sent on these funds to the scammers' digital wallets.

payment	date & time	method	to	value
1	21/12/2024 1:13pm	debit card	Coinbase	£3.29
2	23/12/2024 10:28am	debit card	Coinbase	£37.73
3	23/12/2024 10:41am	debit card	Coinbase	£32.83
4	23/12/2024 12:44pm	faster payment	Coinbase	£1.00
5	24/12/2024 12:17pm	faster payment	Coinbase	£824.55
6	25/12/2024 9:52pm	debit card	Remitly	£78.00
7	26/12/2024 12:17pm	debit card	Remitly	£75.00
8	26/12/2024 4:12pm	debit card	Remitly	£162.99
9	26/12/2024 8:16pm	faster payment	Coinbase	£170.66
10	26/12/2024 8:25pm	faster payment	Coinbase	£1.00
11	26/12/2024 8:42pm	faster payment	Coinbase	£10.00
12	26/12/2024 9:36pm	faster payment	Coinbase	£649.40
13	27/12/2024 12:04pm	faster payment	Coinbase	£1,150
14	02/01/2025 7:03pm	faster payment	Coinbase	£2,433.18

Miss M successfully recalled payments 7 and 8. She also received total credits of £106.27 from the first scam.

Miss M reported the first scam to Monzo on 27 December 2024, whilst continuing to work on tasks that were part of the second scam.

Miss M says Monzo did not do enough to protect her money. Monzo says all payments were within Miss M's daily limit and to a genuine account, so it had no reason to stop them. Plus, it was not the point of loss.

Our investigator did not uphold Miss M's complaint. She did not find Monzo ought to have

intervened in any of the payments.

Miss M disagreed with this assessment and asked for an ombudsman's review. She said once Monzo knew that she had been the victim of a scam it should not have processed any further payments to the same payee without contacting her. Banks are aware that victims of scams are vulnerable; likely to be contacted by further scammers; and may still be in contact with the scammers.

I have reached a different conclusion to the investigator, so I issued a provisional decision to give both parties the chance to comment. An extract follows and forms part of this final decision. I asked for any comments or new evidence by 21 November 2025.

Extract from my provisional decision

First, to address Monzo's argument that it was not the point of loss. In the circumstances of this case, which can be characterised as two continuous scams without a break in the chains of causation, I remain satisfied that the acts and/or omissions of Monzo should be reviewed when deciding liability for the loss. I accept that Miss M had control of the recipient accounts that the payments were made to. However, the transfers were made at the behest of the scammers. Given the chronology of the payments in the journey of the scams and the prevalence of multistage scams involving cryptocurrency by this time, I am satisfied it is reasonable to consider Monzo's actions. There were no new, intervening acts that prevent me from fairly making this conclusion.

There's no dispute that Miss M made and authorised the payments. At the stage she was making these payments, she believed she was transferring funds to allow her to buy access to tasks she would earn commission for completing. I don't dispute Miss M was scammed and she wasn't making payments for the reason she thought she was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017. The debit card payments were authorised using 3DS authentication and the faster payments were authorised through open banking. But it does not 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 December 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;*
- *been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving particularly the increase in multi-stage scams involving cryptocurrency, and the different risks these can present to consumers, when deciding whether to intervene.*

It is no longer in dispute that it was reasonable for Monzo to follow Miss M's payment instructions for payments 1 to 13. So, I will focus here on the last payment. I find Monzo can

be held liable in part for Miss M's loss from payment 14. I'll explain why.

Miss M reported that she had been the victim of a job/task scam to Monzo less than a week before she made payment 14 to the same payee – a payee that is identifiably linked to cryptocurrency and so inherently carries a higher risk. The value, whilst not high in the context of Monzo's daily transaction processing, was high for Miss M's account at over double any of her previous debits. I think Monzo needed to contact Miss M before going ahead. It knows how account holders can be impacted by fraud. It knew Miss M had very recently reported she was the victim of a scam. So I think direct contact would have been proportionate. She was vulnerable at that time - and as she had reported the first scam on 27 December 2024, Monzo was on notice of this.

I am aware the payment was authorised through opening banking. But Monzo still needs to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customers' accounts safe even if the payment is through open banking. As an account servicing payment service provider, Monzo can intervene in open banking payments for fraud detection and prevention purposes in the same way as it would with any other faster payment that displays risk factors. So this does not change my finding.

This means I need to decide what the impact of a proportionate intervention would most likely have been. I am satisfied that Monzo, as the fraud prevention expert, would have broken the spell of the second scam had it contacted Miss M and asked a series of questions about the payment. I say this as she had recently disclosed details of the first scam to the bank and I would have expected it to use this insight to shape its questions. It should have asked if the payment was in any way connected. Whilst both scammers had coached Miss M about what not to say to her bank, she had ignored this for the first scam by this stage having reported it to Monzo. And for the second scam I can see she had doubts, saying to the scammer in the WhatsApp chat 'this is a scam' on 26 December 2024. It follows I think a proportionate intervention from Monzo could have broken the spell of the scam.

Should Miss M bear some responsibility for the overall loss?

I've considered carefully whether Miss M should hold some responsibility for her loss by way of contributory negligence. On balance, I think Miss M should be held responsible in part.

Miss M had just fallen victim to what was essentially the same scam. In this context I would have expected her to carry out significant checks before sending more money for the same reason. I do understand she was stressed and trying to earn money in the hope of recovering her loss from scam 1, but the same red flags were there. Legitimate roles do not require you to send money in advance, after an unsolicited contact via WhatsApp. And typically it is not that easy to earn the levels of commission Miss M was offered for so little work.

Overall, I'm not satisfied that it was reasonable for Miss M to proceed without doing much more to verify the second opportunity.

I am therefore instructing Monzo to refund only 50% of Miss M's losses from payment 14.

Did Monzo do what it should to try to recover Miss M's money?

In this case, for the faster payments Miss M sent the money to her own digital wallet and from there onto the scammer. So, there was no prospect of Monzo being able to recover the funds from the account it had sent the payments to.

For the payments made by debit card the recovery route would have been the chargeback scheme. However, any chargeback claim would not have been successful as the recipients had provided the service Miss M bought from them i.e. the money was transferred by Remitly and the funds were received in her digital wallet at Coinbase. So, there were no grounds for dispute. It follows I do not find any failings on Monzo's part in this regard.

Monzo did not respond to my provisional decision. Miss M accepted my findings.

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.

As neither party sent any new information or comments for me to consider in response to my provisional decision, I have no reason to change the findings or outcome in my provisional decision.

Putting things right

Monzo must:

- Refund 50% of payment 14 which was for £2,433.18 (so £1,216.59)*; and
- Pay interest on the above amount at the rate of 8% simple per year from the date of payment 14 to the date of settlement.**

*The credits Miss M received were related to the first scam so I have not offset them against the loss from scam 2.

**If Monzo considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss M how much it has taken off. It should also give Miss M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I am planning to uphold Miss M's complaint in part. Monzo Bank Ltd must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 23 December 2025.

Rebecca Connelley
Ombudsman