

The complaint

Miss M complains that Monzo Bank Ltd won't refund her money she lost when she fell victim to an impersonation scam. Also, about the poor level of service she received when she contacted them about the scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss M is a young adult and in March 2025 she started a job as an apprentice. She was eager to impress and, shortly after starting, she opened an email on her work email account from a person she believed to be a senior director. Unfortunately, she didn't realise it was a spoof email from a scammer using the senior director's name.

The email required Miss M to give her personal messaging number so she could receive an urgent message / request. Miss M responded with her number and received an app message directing her to purchase gift cards for clients.

Miss M made the following twelve payments totalling £2,250, for gift cards from supermarkets T, S and W, using the funds in her Monzo current account and savings pot.

Payment Number	Date	Time	Payment Type	Payee	Amount
1	6 March 2025	14.39	Card	Supermarket T	£250
2	6 March 2025	14.39	Card	Supermarket T	£250
3	6 March 2025	15.08	Card	Supermarket S	£250
4	6 March 2025	15.09	Card	Supermarket S	£250
5	6 March 2025	15.42	Card	Supermarket S	£250
6	6 March 2025	15.43	Card	Supermarket S	£250
7	6 March 2025	16.03	Card	Supermarket T	£250
8	6 March 2025	16.33	Card	Supermarket W	£100
9	6 March 2025	16.34	Card	Supermarket W	£100
10	6 March 2025	16.34	Card	Supermarket W	£100
11	6 March 2025	16.35	Card	Supermarket W	£100
12	6 March 2025	16.36	Card	Supermarket W	£100
					£2,250

The scam was uncovered when Miss M received a call from her line manager enquiring as to where she was. Miss M explained what she was doing, and her line manager raised the

matter with the senior director, who confirmed that he was unaware of a request to purchase gift cards.

The loss of £2,250 caused Miss M to fall behind on her bills, borrow money and suffer significant financial hardship.

Miss M contacted Monzo to try and recover her money as she considered that they should've provided her with a warning. She was disappointed with Monzo as she felt they quickly dismissed her claim, ignoring the sophistication of the scam. Also, her mental health was further affected as she found their agents were rude, dismissive, lacking in empathy (making her feel foolish) and didn't offer her any support.

Miss M escalated her complaint to our service, and our investigator partially upheld her complaint. Her view was that Monzo should refund Miss M 50% (£625) of her loss from payment 5 as they should've intervened at this point. The 50% deduction (£625) was because she considered Miss M could've done more to protect herself. Regarding the service Miss M received, she said she didn't find any evidence to support the complaint that the agents were rude or that she received poor service.

Miss M accepted our investigator's view, but Monzo didn't. Monzo's rejection reasons included the following:

- The products were received by Miss M and not the fraudster.
- They don't think payments made to supermarkets can be viewed as suspicious.
- If they had intervened there is no evidence to suggest Miss M would've been receptive or truthful and they think it reasonable to assume she would've sought advice from the scammer on how to respond.

As Monzo didn't agree this complaint has been passed to me to consider.

I issued a provisional decision on 9 December 2025, and this is what I said:

I've considered the relevant information about this complaint.

Regarding the level of service provided, my provisional decision is different to the outcome of that reached by our investigator. So, I'd like to give both parties an opportunity to respond.

The deadline for both parties to provide any further comments or evidence for me to consider is 23 December 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If Monzo Bank Ltd accepts my provisional decision, it should let me know. If Miss M also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.

What I've provisionally 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, regarding the scam refund, my provisional decision is the same as that of our investigator. However, it is different with regard to the level of service Miss M received. I consider the service to have been poor, and I think Monzo should pay some compensation to Miss M for causing her additional distress.

I should first say that:

- *I'm very sorry to hear that Miss M has been the victim of this cruel impersonation scam.*
- *Where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.*
- *The APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply here due to the payments being made by card.*
- *Monzo wouldn't have been able to recover the funds by raising chargebacks as the goods had been purchased, with codes given out, meaning there were no dispute rights in this case. Also, chargeback rules don't cover scams.*
- *The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here:*

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Miss M made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Monzo should fairly and reasonably:

Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.

- *Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- *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). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- *In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

Consumer Duty

Also, from July 2023 Monzo had to comply with the Financial Conduct Authority's (FCA's) Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty

does not mean that customers will always be protected from bad outcomes, Monzo was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, recognise signs of vulnerability.

With the above in mind, I first considered if Monzo should've recognised that Miss M was at risk of financial harm.

Individually the amounts were low and similar to other payments Miss M had made. However, importantly here, there were twelve payments which were all made within a two-hour timeframe. In addition to the velocity, the cumulative same day spend was much higher than Miss M would usually pay and out of character for her account. So, I think Monzo should've been concerned and suspicious and recognised Miss M was at risk of financial harm

I appreciate that Monzo process thousands of payments each day and, as mentioned above, have a careful balancing act when deciding whether to intervene. Also, it isn't unusual for customers to make several same day payments to a supermarket, and supermarkets sell different and high range products.

However, I'm in agreement with our investigator that at 15:42 on 6 March 2025, having seen four purchases of £250 within 30 minutes at 14.39, 14.39, 15.08, 15.09, Monzo should've seen this further payment as unusual and out of character for Miss M's account and intervened.

I can't see that Monzo did any analysis, considered questioning this payment or have provided sufficient evidence to persuade me they intervened or that the payment wasn't unusual, and it wasn't proportionate for them to intervene.

If a bank doesn't question payments that might be at risk, then it can't fulfil its duty to protect customers. I'm not saying that means it must check every payment out of its customers' accounts. But here, considering the velocity and amounts, I believe it ought to have contacted Miss M to check she wasn't at risk of falling victim to fraud.

I then considered what would've, more likely than not, happened on a human intervention call and whether a Monzo agent (trained to detect scams) asking probing questions would've unravelled the scam or stopped the payments.

As Miss M was a new employee and she believed the scammer to be her senior director, I recognise that Miss M was eager to please the scammer and follow their instructions. However, although the scammer's email isn't available and I haven't seen all of the app messages, I think it unlikely they would've mentioned the possibility of a bank intervention and told her to give an alternative reason if they intervened. I say this because the scammer instructed her to make payments in small amounts through different supermarkets to reduce the risk of an intervention.

It isn't possible to know if Miss M would've messaged the scammer, either prior to or during a call, if Monzo did intervene. If she did, I think it would've been difficult for them to have told her a different story without either making her suspicious, sound hesitant and / or suspicious when an agent would likely ask her why she was making a series of payments in a short space of time.

When considering what would've happened on the call, I think an agent noticing the timings of the payments (all for the same amount) would've first asked Miss M if she was speaking to anyone else and if anyone had told her to make the payments.

I think Miss M would've said she was making purchases for her employer, and the agent would've immediately asked her what she was purchasing and why she was using her own money and not that of her company. Miss M then would've likely explained the email and also how she was sharing the gift card code and at this point

the agent would've suspected an impersonation scam and told Miss M to check the email sender address, as it was likely a spoof, and also to speak to her line manager. In addition, I think they would've given her educational information on impersonation scams and how they work. Furthermore, I think an agent would've blocked any further payments until Miss M had completed the advised checks and this would've led to the scam being unravelled.

So, having considered what would've likely happened, I think Monzo's failure to intervene at payment 5 caused Miss M's loss from that point.

I then considered contributory negligence and whether it is fair and reasonable for Miss M not to get a full refund from payment number 5.

There's a general principle that consumers must take responsibility for their decisions and I noted that our investigator looked closely at this whilst recognising how convincing these cruel scams are and that it was her first job and she wanted to impress her employer.

Although I in no way blame Miss M as it is both easy for these emails to get through and to not spot a fake email address, I also think she should've noticed some red flags our investigator mentioned and checked with a colleague or spoken to her line manager before proceeding.

Miss M is understandably devastated by this scam and accepts the 50% deduction in a refund. Due to her acceptance and our investigator highlighting red flags (Miss M's company not paying for the gift cards, the use of different supermarkets, the sharing of the codes), I won't further elaborate on contributory negligence. But I'm satisfied it does apply here.

So, I think both parties made errors here. I therefore consider it to be both fair and reasonable for Monzo to split liability and pay 50% of Miss M's loss from payment number 5 as the human intervention at that point would've likely unravelled the scam and stopped her making payments 5 to 12 totalling £1,250.

Finally, regarding the level of service provided when Miss M contacted Monzo after the scam, I have a different view to our investigator.

On one of the three calls shared with our service, I found that the agent didn't always listen to Miss M, interrupting her on couple of occasions. Due to this and an apparent lack of understanding of the events that had occurred, he didn't explain who the merchant was and told her it wasn't a scam. Also, probably due to his lack of understanding, he suggested she contact the scammer which Miss M understandably found unhelpful.

Miss M had lost nearly all her money and was understandably very upset and when responding to her follow up question, about why they couldn't do anything about a refund, the agent commented on contributory negligence even though he appeared to have insufficient knowledge of events.

I think he spoke to Miss M in an insensitive way. In addition to a lack of understanding (that Miss M did know the merchant and was a new employee) he didn't recognise the fact that she was a victim having been tricked by a cunning scammer. When talking about her lack of checks, I found he was abrupt and showed a lack of empathy when saying:

- *'As of now you're even telling me that you cannot even contact the merchant. So, you made the payment without knowing where it was going and without confirming anything'.*
- *'Has your boss ever before asked you to do such things'.*

So, I can understand why Miss M considers she was made to feel foolish. Also, why this caused her further distress.

On another call, with a different agent, I found that Miss M explained her vulnerable position (she said she was 'left with nothing' and 'I need money') and was looking for assistance. Although the agent was polite and said she was sorry to hear about the scam, the agent told her she needed to wait for a refund decision and didn't probe further, offer any support or consider putting her through to the Monzo support team.

I consider the level of service, to a clearly distressed and vulnerable customer, to have been poor. I would've expected Monzo staff to treat victims of such a distressing crime, where she was left with hardly any funds in her account, in a much more considerate, sensitive and caring way.

Also, under the Consumer Duty, to recognise vulnerability and have put Miss M through to Monzo's support team so they could look at ways they could possibly assist her. Instead, Miss M was left in a precarious position having to look for ways to borrow money to live on.

Putting things right

Regarding the scam, for the reasons mentioned above, I think it is only fair and reasonable for liability to be shared on payments 5 to 12.

Regarding the service, which I think was very poor, having considered this alongside our publicly available guidance, I consider £250 to be fair and reasonable compensation for the upset and distress caused.

So, my provisional decision is to partially uphold this complaint, and I require Monzo Bank Ltd to:

- *Provide Miss M with a refund of £625 (50% of payments 5 to 12 which total £1,250).*
- *Plus pay simple interest of 8% from the 6 March 2025 to the date of settlement.*
- *Pay Miss M £250 compensation for distress and inconvenience.*

My provisional decision

For the reasons mentioned above, my provisional decision is to partially uphold this complaint against Monzo Bank Plc, and my requirements are detailed in the above putting things right section.

This is subject to any comments that either Monzo Bank Ltd or Miss M may wish to make.

These must be received by 23 December 2025.

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.

Further to my above provisional decision, I didn't receive a response from Miss M but Monzo did reply confirming their acceptance.

So, as no further arguments or evidence have been produced in response to my provisional decision my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

Putting things right

My final decision is to partially uphold this complaint, and to put things right I require Monzo Bank Ltd to:

- Provide Miss M with a refund of £625 (50% of payments 5 to 12 which total £1,250).
- Plus pay simple interest of 8% from the 6 March 2025 to the date of settlement.
- Pay Miss M £250 compensation for distress and inconvenience.

My final decision

My final decision is to partially uphold this complaint against Monzo Bank Ltd, and I require them to make the payments detailed in the above 'putting things right' section of this decision paper.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 2 February 2026.

Paul Douglas
Ombudsman