

## **The complaint**

Mr M complains that MONZO BANK LIMITED (“Monzo”) won’t reimburse money he lost to what he believes is an Authorised Push Payment (APP) scam.

## **What happened**

Mr M says that in August 2025, tradesmen knocked on his door and offered to clean his front drive and patio and apply sealant. He was told that they’d done some work in his area and had spare material so could offer him a discount. Mr M was quoted the price in per square foot. Following the work, Mr M was given an invoice issued in the name of a company “R”. He paid just shy of £3,000 to a personal account as instructed by the tradesmen. Mr M says he later reviewed the invoice and noticed that R’s account details were listed on it, leading him to believe that his payment had been redirected to an unrelated account.

Monzo declined Mr M’s fraud claim, citing the matter to be a civil dispute between him and R. Unhappy with this outcome, Mr M complained to Monzo and subsequently referred his complaint to the Financial Ombudsman Service.

Our Investigator agreed that Monzo didn’t need to reimburse Mr M as this was most likely a civil dispute. They noted that some work was completed in exchange for the payment the tradesmen sought afterwards. The Investigator considered Mr M’s concerns that he was asked to pay a personal account rather than the account details listed on the invoice. Ultimately, they didn’t think that the only possible explanation for this was that there was an intention to defraud Mr M.

Mr M didn’t agree with the Investigator’s conclusions and asked for an Ombudsman’s decision.

## **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 broad terms, the starting position in law is that a payment service provider like Monzo is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer’s account. There’s no dispute here that Mr M authorised the payment in question.

Mr M says he made the payment due to falling victim to an APP scam. From 7 October 2024, payment service providers in the UK have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules (‘the reimbursement rules’). Under these rules, most victims of APP scams should be reimbursed. Private civil disputes aren’t covered.

The reimbursement rules define an APP scam as:

*“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer’s relevant account to a relevant account not controlled by the consumer, where:*

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended”*

A ‘private civil dispute’ is defined as:

*“a dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”*

So, to uphold Mr M’s complaint, and to tell Monzo to reimburse the money he paid, I’d need to be persuaded that the APP scam definition as set out above is met in the circumstances of what happened in this case.

Mr M says he intended to pay R, not an individual tradesman who showed him their account details on their phone. I understand the point Mr M is trying to make. But when initiating the payment, i.e., entering the account details, the account holder’s name and the amount, Mr M knew that he was paying an individual. The technical information Monzo has provided shows that the details Mr M entered matched during the Confirmation of Payee check. So, Mr M would have known that the account he was paying was a personal account prior to confirming that he wanted to go ahead with the payment. As such, the first part of the definition doesn’t apply.

The purpose of the payment was to clean Mr M’s drive and patio and apply sealant. I note that more recently Mr M has said the tradesmen were only charging for sealant application per square foot. But this isn’t what he told Monzo at the time of making a scam claim – he wrote ‘Patio cleaning and sealant installation’ when asked what he was buying. Also, at the time of referring the complaint to our Service, Mr M mentioned cleaning as well. And I’ve seen the invoice he was given – ‘clean driveway’ has been ticked. Given the above, I’m not persuaded that the payment was just for the sealant.

When the Investigator asked about Mr M about the status of the work, he said the front drive and the back patio were jet washed. He couldn’t confirm whether a sealant was applied but recalled some form of foam or bubbles after the tradesmen were finished. In his appeal to the Investigator’s assessment, Mr M has provided a photo of his drive which he says shows that a sealant couldn’t have been applied if weeds and moss were growing months after the work.

The allegation of fraud is a serious one. While I can reach my findings on the balance of probabilities (rather than beyond all reasonable doubt for example), to make a finding that the tradesmen did intend to defraud Mr M, I’d need to see convincing evidence to show fraud is the most likely explanation over any other possibility.

I’ve carefully considered Mr M’s comments. It’s not in dispute that the front drive and the patio were cleaned. So, as the Investigator highlighted, some work was carried out by the tradesmen. I understand Mr M’s concerns regarding the application of the sealant. I accept it’s possible that the sealant wasn’t applied. But it’s equally possible that it was applied (Mr M mentions seeing bubbles at the time) and the work was of sub-standard or poor quality. This wouldn’t mean that Mr M’s payment was procured through dishonest deception.

I do appreciate Mr M’s concerns about paying an invoice to a personal account rather than a business account. But this doesn’t necessarily mean that a scam was being orchestrated,

given it could also be indicative of poor organisation or financial mismanagement – or even unprofessional behaviour.

I can see Mr M has called into question R's legitimacy on the basis that it charged VAT when it isn't registered. The invoice doesn't explicitly state that VAT has been added. Rather, it seems Mr M believes he's been charged it based on his calculations. As the invoice doesn't set out the square foot area of the location where the tradesmen worked, I can't know for sure whether cost included VAT. In the circumstances, I need to make my decision based on the evidence available to me and considering whether I think that evidence shows fraud is the most likely explanation over any other possibilities.

Based on everything I've seen, for the reasons given, I'm not persuaded that the available evidence is sufficient to fairly conclude that R or the tradesmen had the intent to defraud Mr M and that he fell victim to an APP scam. In the circumstances, I don't think Monzo acted unfairly by not reimbursing Mr M under the reimbursement rules.

I also don't think there are any other grounds on which it would be fair and reasonable to require Monzo to refund the payment Mr M made here.

I sympathise with the position Mr M has found himself in. I recognise he's paid for work that he's unhappy with, and that my decision will come as a disappointment to him. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the tradesmen. But I can only look at Monzo's responsibilities here and, for the reasons I've explained above, I don't think it would be fair to hold it liable.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 May 2026.

Gagandeep Singh  
**Ombudsman**