

## **The complaint**

Miss H complains that Monzo Bank Ltd (“Monzo”) won’t reimburse losses she incurred as part of a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

In early 2025, Miss H was looking to purchase a property. As part of this process, Miss H paid a company (who will be further referred to as ‘Company A’) to carry out a survey on her property.

Miss H later discovered a fault in the roof of the property which hadn’t been identified in Company A’s report. Given the costs involved in the repairs, amongst other reasons, Miss H believed she’d been the victim of a scam and contacted Monzo to request reimbursement of her payment to Company A as well as the cost of the repairs.

Monzo investigated Miss H’s complaint but declined to reimburse it on the basis that it was a civil dispute between her and Company A. Unhappy with this response, Miss H referred her complaint to our service.

Our investigator looked into Miss H’s complaint but did not uphold it as they didn’t believe Monzo were incorrect in declining her request for reimbursement.

Miss H disagreed with the investigator’s findings as she still felt that she’d been the victim of a scam.

As the complaint couldn’t be resolved by the investigator it has been passed to me for a 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.

Miss H has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Miss H’s complaint. This is not meant to be a discourtesy to Miss H and I want to assure her I have considered everything she has submitted carefully.

In deciding what’s fair and reasonable in all the circumstances of a complaint, I’m required to take into account relevant: law and regulations; regulators’ rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position at law is that a bank such as 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.

Here it's not in dispute that the payment was authorised, so the starting position is that Monzo isn't liable for the transaction.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their 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 interest of its customers and to follow good industry practice to keep customer's 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 H.

From 7 October 2024, Payment Services Providers in the UK are bound by the Faster Payments Scheme (FPS) reimbursement rules. Under these rules, most victims of authorised push payment (APP) scams should be reimbursed.

To decide whether Monzo should refund Miss H's payment, I've therefore considered whether this issue meets the reimbursement rules' definition of an APP scam.

The reimbursement rules define an APP scam in the following way:

*“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”*

The reimbursement rules also explain that private civil disputes are not covered. The rules define a private civil dispute 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”*.

In order to reach my decision on this complaint, I've considered the purpose for which Miss H made, and Company A received, the payment. And, if there is a significant difference in these purposes, whether I can be satisfied that this difference was as a result of fraud or dishonesty.

It's clear that Miss H made the payment in order for a survey to be carried out on the property she was looking to buy. So, I've gone on to consider what purpose Company A had in mind and whether that was in line with the purpose Miss H made the payment.

As part of their submission, Miss H has supplied our service with a copy of the report she received from Company A. So, on the face of it, it appears that the purpose Miss H and Company A had in mind for the payment aligned; and the payment would not meet the FPS

reimbursement rules' definition of an APP scam. That being said, I've gone on to consider the other evidence Miss H has supplied our service.

Miss H's has submitted evidence relating to the standard of the survey by Company A and the work that was required to rectify the issues it failed to identify. Though the evidence may suggest that Company A failed to identify, and report on, faults on the property, this doesn't show that they didn't have the intention of completing the survey.

As referenced earlier in my decision, in order for Miss H's payment to meet the definition of an APP scam I'd need to be persuaded that the purpose Company A had in mind for the payment was different to that of Miss H. I'm not persuaded that the quality of the report demonstrates that Company A didn't have the intention of carrying out or that their purpose for the payment didn't align with that of Miss H.

Miss H has also supplied correspondence between herself and Company A, in which the survey is being arranged. Within this correspondence, the surveyor uses an email signature which uses credentials suggesting they are a chartered surveyor. Miss H maintains that the misrepresentation of the surveyor's credentials shows that they were operating fraudulently and that she's fallen victim to a scam.

Though the surveyor should not be claiming to have the credentials they do, this does not show, again, that they didn't have the same purpose in mind for the payment as Miss H. I also accept that there are numerous negative online reviews regarding Company A's conduct but, again, this doesn't demonstrate that the purpose they had in mind at the time of the payment was different to that of Miss H.

I should clarify that I'm not saying that Miss H hasn't suffered a loss or that Company A's business practices, workmanship or behaviour were acceptable. Rather, I'm only looking at whether I can fairly hold Monzo liable under the FPS reimbursement rules. Unfortunately, poor business practices or misrepresentation of qualifications to do the job doesn't mean that the payment Miss H made meets the FPS reimbursement rules definition of an APP scam.

I've every sympathy for Miss H as it's clear that this situation has had a large impact on her. But, for the reasons stated above, I don't believe that the payment Miss H made to Company A meets the definition of an APP scam under the FPS reimbursement rules. I'm therefore unable to say that Monzo has acted incorrectly in this instance or that they should reimburse her losses.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 17 March 2026.

Billy Wyatt  
**Ombudsman**