

The complaint

Ms K complains that Monzo Bank Ltd won't refund the money she lost when she fell victim to a job 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.

Around October 2024, after looking for a job to gain additional income, Ms K was approached about a remote commission-based job with a fake company, in which she could earn money from liking products such as cars to improve their sales.

Ms K was recruited, trained and an account was created for her, all of which made her think the job was legitimate. After completing an initial set of tasks, she was selected for higher commission tasks which created a negative account balance and required her to pay the fake company. To be able to continue with the job and earn higher rates Ms K then found it necessary to make payments to the fake company and she appears to have borrowed money to do this.

Ms K appears to have been instructed to open accounts with a digital payment platform (called Firm P) and a global financial services company (called Firm W) to receive credits. However, it's unclear if she received any funds into these accounts.

To pay the scammers Ms K was instructed to open an account with an international money transfer company called Firm R and, to credit individuals from this account, she transferred the following five amounts from her Monzo account:

Payment Number	Date	Payment Method	Payee	Amount
1	1/10/24	Card	Ms K's account with Firm R	£60
2	2/10/24	Card	Ms K's account with Firm R	£262.99
3	2/10/24	Card	Ms K's account with Firm R	£517.99
4	4/11/24	Card	Ms K's account with Firm R	£502.99
5	5/11/24	Card	Ms K's account with Firm R	£1,002
Total				£2,345.97

Ms K appears to have realised she'd been scammed after making payment 3 and she contacted Monzo to claim her financial loss for payment 2 and 3. But she didn't tell Monzo it was due to a job scam. Instead, she said the payments were taken without her authorisation. Monzo declined this claim as Ms K didn't respond to their questions after she told them her PIN had been written down.

Ms K subsequently made payments 4 and 5. This appears to be because she was persuaded by either the same scammer or a different scammer that she could recover her funds.

Ms K contacted Monzo sometime later to claim a full refund for all five payments as they related to the job scam. However, Monzo only issued her with a refund for payments 4 and 5.

Ms K considered this to be unfair and complained to Monzo as her financial loss to the job scam was all five payments and not just payments 4 and 5. Monzo rejected her claim. Their decision appears to be based on a combination of them having previously considered a claim which had been closed and the new reimbursement scheme coming into effect after payment 3.

Ms K was dissatisfied with Monzo's decision, so she brought a complaint to our service. But our investigator couldn't see that Monzo's decision was unfair or unreasonable. This is because:

- She considered that none of the payments were covered by scam reimbursement rules.
- She wouldn't have expected Monzo to have intervened on payments 1 to 3.

As Ms K remains dissatisfied her complaint has been passed to me to make a final 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.

Having done so, whilst I'm very sorry Ms K has lost £840.98 (payments 1 to 3) and suffered distress, my decision is that I'm not upholding this complaint. And I'll explain why.

I should first say that:

- Although it isn't clear why Ms K didn't tell Monzo the true reason for her first claim and delayed making a second claim, I'm persuaded all five payments were because she was the victim of a cruel scam.
- Whilst Monzo decided to give her a full refund for payments 4 and 5, as they thought the APP Scam Reimbursement Rules (introduced by the Payment Systems Regulator on 7 October 2024, for customers who have fallen victim to an APP scam) applied, I don't think they had an obligation to do so. This is because the payments were made by card to another account in Ms K's name and the rules exclude such payments. Also, the same exclusion applied to the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code that preceded the APP Scam Reimbursement Rules.
- I'm satisfied it wasn't possible for Monzo to recover Ms K's funds. This is because the funds were sent through Firm R, where they would've immediately been taken and, in addition to a long notification delay, a chargeback wouldn't have been successful as the service was provided.

Although Monzo weren't obligated to provide Ms K with a reimbursement, as Ms K received a refund of payments 4 and 5, I considered the Payment Services Regulations 2017 (PSR) and Consumer Duty, to determine:

Whether Monzo should've identified any of payments 1,2 and 3 as having a heightened risk and triggered automated or human interventions to protect her from financial harm.

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 longer any dispute that Ms K 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 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

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, look out for signs of vulnerability.

Having looked closely at the three payments of £60, £262.99 and £517.99, together with Monzo's submissions which included Ms K's statements, I wouldn't have expected Monzo to have been concerned about any of them and seen a risk that she might potentially be at risk of financial harm. I say this because:

- Monzo didn't have any information on any known vulnerabilities.
- Banks like Monzo process thousands of payments each day and they can't be expected to intervene on all of them.
- As mentioned above, they have to carefully weigh up when to intervene as, in addition to their responsibility to protect their customers from fraud and scams, they have a responsibility not to delay legitimate transactions and cause unnecessary inconvenience.
- Although I appreciate the payments were large to Ms K, I don't think any of them were particularly large.

- Ms K had previously made payments for similar amounts and at the point of these payments, even though two were made on the same day, there was no obvious scam pattern.
- It is common for customers to pay Firm R, who are a well-known payment service provider. Also, Monzo could have some level of comfort in Firm R being regulated and able to provide scrutiny with additional information on where the payments were going.

Having considered the above and all the information on file, although I can fully understand Ms K thinking a partial refund is unfair, I don't think it would be fair or reasonable to require Monzo to make any further payments for payments 1 to 3.

Regarding payments 4 and 5, as there was a gap between payment 3 and 4, the payee was established and the amounts still weren't particularly high, I also wouldn't have expected Monzo to have intervened. And in the event a bank did consider they should've intervened I would've expected them to have considered whether there was more the customer could've done to avoid the financial loss.

So, whilst I genuinely empathise with Ms K's financial loss and distress, I'm sorry to disappoint her but I don't think it would be fair or reasonable to require Monzo Bank Ltd to provide her with a further refund.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 11 May 2026.

Paul Douglas
Ombudsman