

The complaint

Miss L complains that Monzo Bank Ltd won't refund money she lost to an investment scam. The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the reasons for my 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, I agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Miss L authorised ten payments totalling £8,424.46 between 11 January 2023 and 16 January 2023 from her Monzo account towards what she believed was a legitimate investment opportunity with a company I'll call 'O'. The payments were sent to a legitimate cryptocurrency exchange account in Miss L's name before being sent to what she believed was her trading account with O. The payments were requested by her using her legitimate security credentials, and the starting point is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Monzo should have done more to identify that Miss L could be falling victim to a scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly unusual and out of character.
- I've reviewed Miss L's Monzo statements in the 12 months leading up to her disputed payments. In my judgement, the disputed payments were not sufficiently unusual or suspicious in appearance when considering Miss L's normal account activity. For example, she made several undisputed payments valued around the individual disputed payments. It also wasn't uncommon for Miss L to fund her Monzo account from one of her external accounts in order to make payments from her Monzo account. For example, on 14 October 2022, she transferred £8,000 to her Monzo account and made a payment of £7,255.31 on the same day. On 25 December 2022, she paid £1,500 into her Monzo account and made a payment of £1,514.16 on the same day. On 4 January 2023, she paid £1,500 to her Monzo account and sent a payment of £1,496.38 also on the same day. The disputed payments mostly followed a similar pattern with Miss L funding her Monzo account from an external account before sending the disputed payments on the same day. None of the individual payments exceeded £1,700 and more than half of the individual payments were less than £1,000. And so I don't think the payments - when taken individually or collectively - represented a significant deviation from the way Miss L normally used her account. Therefore, I'm not persuaded there was anything that ought reasonably to have triggered Monzo's fraud monitoring systems in these circumstances, and I don't consider there to be any fair or reasonable basis in which it can be held responsible for Miss L's loss.

- Monzo paid Miss L a total of £75 compensation. I think this was fair as it delayed in responding to her complaint and I think this would have caused her unnecessary worry.

My final decision

My final decision is, despite my natural sympathies for Miss L's loss, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 9 April 2024.

Dolores Njemanze
Ombudsman