

## The complaint

Mrs K complains that Monzo Bank Ltd (Monzo) is refusing to refund her the amount she lost as the result of a scam.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs K was looking for work when she was contacted by a scammer (X). X offered Mrs K work that involved her completing online tasks to receive a commission. Mrs K was required make payments first to unlock the tasks.

After completing tasks Mrs K's account would show a negative balance and she was required to make further payments to top up the account.

Mrs K completed more and more tasks and each time the balance showed an increasing negative figure requiring Mrs K to make larger payments. Mrs K realised she had fallen victim to a scam after seeing a £3,000 negative balance on the account.

Mrs K made the following payments into the scam from her Monzo account:

Date	Payee	Payment Method	Amount
16 September 2023	Simplex	Debit Card	£50
5 October 2023	Simplex	Debit Card	£338
14 October 2023	Simplex	Debit Card	£90
14 October 2023	Simplex	Debit Card	£800

Our Investigator considered Mrs K's complaint and didn't think it should be upheld. Mrs K disagreed, so this complaint has been passed to me to decide.

## 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.

It has not been disputed that Mrs K has fallen victim to a cruel scam. The evidence provided by both Mrs K and Monzo sets out what happened. What is in dispute is whether Monzo should refund the money Mrs K lost due to the scam.

### *Recovering the payments Mrs K made*

Mrs K made payments into the scam via her debit card. When payments are made by card the only recovery option Monzo has is to request a chargeback.

The chargeback process is in place to refund customers when they pay for goods or services on their card that are not received. In this case Mrs K knowingly purchased crypto

via Simplex and this service was provided to her. Therefore, the chargeback option would not have been available to her as her dispute is with X, not Simplex, and Mrs K doesn't dispute receiving crypto in exchange for her payment – so any chargeback attempt against Simplex would likely failed. I therefore don't think it's unreasonable that Monzo didn't explore this further.

*Should Monzo have reasonably prevented the payments Mrs K made?*

It has been accepted that Mrs K authorised the payments that were made from her account with Monzo, albeit on X's instruction. So, the starting point here is that Mrs K is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Monzo should have been aware of the scam and stepped into question Mrs K about the payments she was making. And if it had questioned Mrs K, would it have been able to prevent the scam taking place.

All the payments made into the scam were for relatively low amounts and were made to a legitimate business. It wouldn't be reasonable for me to say that Monzo should step in every time one of its customers makes relatively low payments to new legitimate businesses.

I don't think it was unreasonable that the payments Mrs K made in relation to the scam did not trigger Monzo's fraud prevention systems prompting it to step in and question Mrs K about the payments she was making. So, I don't think Monzo missed an opportunity to prevent the scam and it is not responsible for Mrs K's loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 19 March 2024.

Terry Woodham  
**Ombudsman**