

## **The complaint**

Ms A complains that Monzo Bank Ltd won't refund the full amount of money she lost after she says she fell victim to an 'authorised push payment' ("APP") 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 and based on the submissions of both parties, I understand it to be as follows.

Ms A complains that in July 2023 she made two payments from her account held with Monzo to what she believed was a legitimate tradesperson. These payments were for £150 and £80.

Ms A says that when the tradesperson didn't turn up to do the work, she realised she had been scammed, so she raised a complaint with Monzo. Monzo looked into the complaint but decided it was a civil dispute, so it took the claim and complaint no further. So, Ms A brought her complaint to our service.

Our investigator looked into the complaint but didn't think it should be upheld. Our investigator didn't think the value of the payments should have caused Monzo to intervene or stop the payments.

Ms A didn't agree with the investigator's view, so the complaint's been passed to me for 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I've decided to not uphold this complaint for materially the same reasons as our investigator. I'll explain why.

I'm sorry if Ms A lost money, but this doesn't automatically entitle her to a refund from Monzo. It would only be fair for me to tell Monzo to reimburse Ms A if I thought it reasonably ought to have prevented the payments, or it unreasonably hindered recovery of the funds.

## Prevention

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, a first consideration in determining Monzo's obligations here would normally be: was Ms A scammed as she alleges?

Here though, I don't think the answer to this question makes a difference to the fair outcome to this complaint. This is because if Ms A *wasn't* scammed, Monzo had no obligation to prevent Ms A's payments, and so I couldn't reasonably hold it responsible for not preventing the payments. On the other hand, if Ms A *was* scammed:

- I'm satisfied Ms A authorised the relevant payments. Monzo would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Ms A is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. That said, as a matter of good industry practice Monzo should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual, uncharacteristic or suspicious transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect a bank to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.
- In this case, having considered the circumstances of the payments including the size and frequency, I'm satisfied they don't look unusual or out of character for Ms A's account. Ms A had sent multiple payments of this amount of similar leading up to the two payments in question. I'm also not convinced the value is high enough to automatically trigger any of Monzo's automatic fraud prevention systems. So, I don't think there was anything about them that would have appeared so suspicious to Monzo, that I could fairly and reasonably have expected it to have been concerned that Ms A may have been at risk of financial harm. Or for it to have foreseen that she may have been at risk of falling victim to a fraud. With this in mind, I don't think Monzo made an error in allowing the payments to be progressed or missed an opportunity to prevent the loss of the money.
- I've also gone on to think about what I think would've most likely happened if Monzo had flagged the payments and provided a scam warning. Having considered this point, I don't find it would've made any difference to Ms A sending the payment. I say this as Ms A only raised the scam claim when the person didn't turn up. Up to that point she had had regular contact, had been visited by the tradesperson to give the quote and present drawings of the work and had what looks like a legitimate invoice. So, I don't think any proportionate warning or intervention Monzo could've provided would've uncovered the fact this was going to happen. All things considered, in the individual circumstances of this case, I'm satisfied that any proportionate intervention most likely wouldn't have made a difference to Ms A ultimately sending and losing this money.

In short therefore, none of payments were sufficiently unusual that I could reasonably find Monzo to have been at fault through following Ms A's instructions.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 20 March 2024.

Tom Wagstaff  
**Ombudsman**