

The complaint

Mr H complains about Monzo Bank Ltd.

He says that he has been the victim of a scam and would like Monzo to refund him the money he has lost as a result.

What happened

In September 2023, Mr H applied for a service via a website requesting the service of a woman. He paid £450 for the service, but the woman did not arrive at the arranged time and did not respond to any further messages from Mr H after he had made the payment.

He says that he has been the victim of a scam and would like Monzo to refund him for the money he says he has lost as a result.

He complained to Monzo, but it didn't uphold his complaint.

Mr H then brought his complaint to this Service and our Investigator looked into things but didn't think that his complaint should be upheld.

They said that there wasn't enough evidence to say that Mr H was the victim of a scam, and so there was no obligation for Monzo to refund him the money he had paid.

Mr H remained unhappy so asked for an Ombudsman to consider his complaint, so it 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, I've decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mr H, so I'll explain why.

There's no dispute here that Mr H authorised the payment in question here. Under the relevant legislation, that means he's liable for those payments at first instance. However, Monzo was under a range of other duties and obligations at the time. Broadly summarised, it was expected to be on the lookout for payments that were unusual or out of character with the aim of preventing customers from falling victim to fraud and scams.

It has also voluntarily committed to apply the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code for payments made on or after payments made on or after 28 May 2019. In certain circumstances, that code can entitle a customer to be reimbursed by the bank after they've fallen victim to a scam.

However, before I consider whether any of those obligations come into play, I must first consider whether Mr H is a victim of fraud. The CRM code is explicit that it doesn't apply to

“private civil disputes, such as where a customer has paid a legitimate supplier for goods, services ... but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier.”

This isn't a straightforward question to address. To be satisfied that Mr H fell victim to fraud, I'd need to be persuaded that the woman he paid had a settled intention to scam him.

Whilst customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e., dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for him/herself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

Obviously, I cannot know what was in the mind of the woman at the time she agreed to the arrangement. And as a result, I must infer what their intentions were based on what the available evidence tells me.

I understand that in this particular circumstance, it is very difficult for Mr H to provide me with the evidence I would require to support such a claim – and I know that he has provided me with messages exchanged between him and the individual in question.

But going on the evidence provided, I am afraid that this isn't enough to support Mr H's allegation that he didn't receive the service he says that he paid for, or that there was an intention to scam him from the outset.

It follows that I don't uphold this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 April 2024.

Claire Pugh
Ombudsman