

The complaint

Mrs E, who has a representative, complains Monzo Bank Ltd didn't do enough when she fell victim to a scam.

What happened

Mrs E has a Monzo account and an account with a bank elsewhere who I'll refer to as "N" in the rest of this decision.

Mrs E says she was in a very vulnerable state when someone who claiming to be a businessman started messaging her having commented and liked a photograph she'd posted on a well-known social media platform. Mrs E says she started speaking to the person in question on a daily basis and after a week they got talking about investing. Mrs E says she was told she could make 5 to 10% returns if she was willing to invest. She also says that the company mentioned appeared to be legitimate. In fact, it seems that Mrs E was talking to a fraudster and the company mentioned was a clone company.

Mrs E sent payments totalling just over £27,000 between 11 July 2023 and 3 August 2023 to cryptocurrency. She says the payments she sent up to 22 July 2023 were for investment and the payments sent after that date were attempts to withdraw her balance. Mrs E says she realised she'd been scammed when she was told she'd have to make £150,000 before she could withdraw and that if she didn't do this by a certain date her credit score would go down and she wouldn't be allowed to travel. Mrs E's representative contacted Monzo in September 2023 to say Mrs E had been scammed and wanted her money back.

Monzo looked into Mrs E's complaint but didn't refund her. Mrs E was unhappy with Monzo's response and so her representative complained to our service.

One of our investigators looked into Mrs E's complaint and said that Monzo should have had concerns from the payment of £1,802.41 she made on 12 July 2023 as that was the second large payment she'd made to cryptocurrency that day, taking the total she'd paid to cryptocurrency to almost £3,850 that day. Our investigator thought that had Monzo contacted Mrs E it would have quickly become apparent that she was falling for a scam and further losses would have been prevented. Our investigator, however, thought that Mrs E should share liability for her losses as she'd fallen victim to a similar scam between January and February 2023 when she'd sent over £11,000 to a scammer from her account with N. Mrs E had reported that scam in February 2023, before falling victim to this scam. So, they recommended that Monzo refunded 50% of Mrs E's losses from the £1,802.41 payment she made on 12 July 2023 and onwards.

Mrs E's representatives accepted our investigator's recommendations on the basis that Monzo did too. Monzo didn't reply. So, Mrs E's complaint was referred to an ombudsman for a decision, and was passed to me.

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.

Monzo hasn't sent us any information about Mrs E's complaint. I can, however, see that she complained to another business – N – that she'd been scammed in February 2023. That scam also involved cryptocurrency and a third party who she didn't know contacting her over social media. In other words, a very similar scam. So, I agree with our investigator that Mrs E should share some responsibility for what's happened here.

In that other case, our investigator didn't think it would have been fair to expect N to have spotted the activity on Mrs E's account as her normal activity involves a lot of transactions to third parties – including multiple transactions to the same merchant within a short space of time – so the payments that were part of the scam wouldn't have appeared to be unusual.

Given what I've just said – and in light of the fact that Monzo hasn't responded to us at all – I asked our investigator to request a copy of Mrs E's Monzo's statements from her representatives. They've sent those statements through and I can see from them that the amount of money going into and out of Mrs E's account was ten times higher than normal given the amount of money she was sending to cryptocurrency. More importantly, I agree that her payments ought to have become of concern to Monzo. Although finely balanced, I agree that Monzo ought to have intervened when Mrs E sent a second payment to the same cryptocurrency merchant on 12 July 2023 – taking the amount she'd sent that day to around £3,850 – as I agree it ought to have been concerned by then.

In this case, had Monzo intervened, I'm satisfied that the scam would have come to light. The FCA had published a warning about clone companies claiming to be the company Mrs E thought she was investing in. Had Monzo asked about why Mrs E was sending money to cryptocurrency, I'm satisfied that the company's name would have been mentioned and the warning would have been brought to Mrs E's attention. The fact that she'd been approached on social media, and the other hallmarks that this was a scam, would have come out too.

Putting things right

Given what I've just said, I agree with our investigator that Monzo missed an opportunity to prevent loss to Mrs E and that it should refund 50% of her losses from that point onwards.

My final decision

My final decision is that I'm upholding this complaint and require Monzo Bank Ltd to refund 50% of Mrs E's losses from the £1,802.41 payment she made on 12 July 2023 and onwards together with 8% simple interest from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 5 April 2024.

Nicolas Atkinson
Ombudsman