

The complaint

Mr B complains Monzo Bank Ltd trading as Monzo didn't do enough to protect him when he fell victim to two scams.

What happened

Mr B has an account with Monzo.

Mr B says he made payments of approximately £300,000 to what he believed was an investment. In fact, Mr B was sending money to scammers. He says he subsequently sent around £150,000 to an organisation who he believed were helping him recover money he'd lost to the first scam. In fact, Mr B was being scammed a second time.

Mr B contacted Monzo to say he'd been scammed and ultimately complained that it didn't do enough to protect him. Monzo disagreed, so Mr B complained to our service.

One of our investigators looked into Mr B's complaint and said that Monzo had intervened early on in the first scam and given appropriate warnings. Mr B had continued to make payments despite these warnings. Later on, however, Mr B had contacted Monzo again because he was being asked to make payments in order to withdraw his profits – he contacted Monzo to increase his transfer limit. Monzo didn't intervene on that occasion even though it was clear from what he was saying that he was being scammed. In the circumstances, our investigator thought that Monzo had failed to prevent Mr B from making a further loss and that it should refund Mr B 50% of his losses from that date onwards.

Both parties accepted, so we told Monzo to arrange settlement. Monzo still hadn't done so over 10 weeks later. Our investigator chased at which point Monzo said it had changed its mind. Mr B's complaint was referred to decision. Following my involvement, and following discussions with Monzo, it appeared that Monzo agreed that it had settled this complaint and that it was working out the exact amounts it owed Mr B. Monzo has – according to Mr B – still not done so. So, I asked for this complaint to be re-opened today.

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.

Our investigator has already explained why in this case Monzo ought to have done more when he asked for his limit to be increased on 23 September 2021 – from what Mr B was saying it was obvious that he was falling victim to a scam. I agree that Monzo ought to have done more too, and it's disappointing that despite accepting our outcome twice that Monzo has not yet settled. Monzo sent us calculations last month saying that the total amount applicable for a refund – according to its calculations – was £422,826.80. I've no reason to doubt Monzo's calculations.

Putting things right

Given what I've said, and in order to resolve this complaint once and for all, I'm going to require Monzo to refund 50% of the payments Mr B made towards the two scams he fell victim to from 23 September 2021 onwards less any credits received. In addition, I'm going to require Monzo to pay 8% interest on the refund from the date of payment to the date of settlement. Finally, given the delay and the additional distress Monzo has caused, I'm going to require Monzo to pay Mr B an additional £500 in compensation.

My final decision

My final decision is that I'm upholding this complaint and require Monzo Bank Ltd to refund 50% of the payments Mr B made towards the two scams he fell victim to from 23 September 2021 onwards less any credits received. In other words, assuming Monzo's calculations are right, to refund 50% of £422,826.80.

In addition, I require Monzo Bank Ltd to pay 8% interest on the refund from the date of payment to the date of settlement plus an additional £500 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 April 2024.

Nicolas Atkinson
Ombudsman