

## The complaint

Mr M complains that Monzo Bank Ltd did not refund a series of payments he says he lost to a scam.

## What happened

Both parties are aware of the circumstances of the complaint, so I won't repeat them again in detail here. In summary, Mr M says his wife was the victim of a job scam which he made payments from his Monzo account on 9 June 2023 for. These totalled £5,500.

Mr M raised a scam claim with Monzo on 28 June 2023, however Monzo explained that Mr M's wife had not carried out enough due diligence to ensure the person she was paying was legitimate, so they did not agree to refund Mr M.

Mr M referred his complaint to our service and our Investigator looked into it. After reviewing the evidence, they had concerns over the source of the funds and the timeline of the scam. This is because there were a number of payments into Mr M's account from multiple individuals that appeared to fund the scam payment, and Mr M provided evidence showing withdrawals from his crypto wallet as early as 1 June 2023, eight days prior to when he said the scam occurred. Because of this, the Investigator was not satisfied there had been a financial loss in the circumstances.

Mr M disagreed with the outcome. He said his total loss was actually £16,565, but the total loss from Monzo was only £5,550. As an informal agreement could not be reached, the complaint was passed to me. I issued a provisional decision which read as follows:

*Firstly, I note that it was Mr M's wife who was the victim of the scam, however Mr M also contributed financially and says he has lost out as a result of it. Unfortunately, X is not a party to this complaint, so I have not heard her version of events.*

*I note that there have been some discrepancies in Mr M's testimony. He initially said he incurred losses on 9 June but has since said the losses began on 1 June from other sources. He also said he funded the scam payments from a savings account but later said he had friends who lent him money. And he has shown that he repaid some of these friends, however not all of the names match the ones on his Monzo statements. And he has provided evidence that he made withdrawals from his crypto wallet, but some of these withdrawals occurred before the transactions in question on his Monzo account, and the amounts also don't align as I would expect.*

*With all of this in mind I think there are some reasonable doubts about how reliable Mr M's testimony is and how much weight I am able to place on it. However, I also think it would be fair to review the payments as I would if I was satisfied Mr M had suffered a financial loss as the victim of a scam. Because while I don't think I can place much weight on Mr M's testimony, he has still provided evidence that a scam occurred and that he made peer to peer payments for cryptocurrency.*

*In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to*

*take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.*

*Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.*

*It's not in dispute here that Mr M authorised the payments in question, as he believed they were part of a legitimate job opportunity for his wife. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Monzo was obliged to follow his instruction and process the payment. Because of this, Mr M is not automatically entitled to a refund.*

*The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Monzo did enough to try to keep Mr M's account safe.*

*I've reviewed Mr M's statements and can see he had made some transfers of similar values in the months leading up to the scam. One of these was higher value transfer to an account his name, and another was a transfer of £1,295 just a few days before the scam. On balance, I don't think the value of the transactions involved in the scam were of such a high value that this alone warranted intervention from Monzo. However, I do recognise that there were a number of payments made on Mr M's account on 9 June 2023, including a number of transactions into the account. But I don't think this alone meant a staff intervention was needed. As these were peer to peer cryptocurrency payments, it wasn't identifiably going to cryptocurrency which inherently holds a higher risk.*

*Based on what I've seen so far, I don't think Monzo missed an opportunity to intervene in the payments and reveal the scam, so I don't think it needs to reimburse Mr M in the circumstances.*

Monzo responded and accepted my provisional findings. Mr M responded and provided evidence that the scam started on 1 June 2023, and confirmed the payments were funded from his savings account as well as a loan. He also clarified some of the funds were borrowed from his wife's friends and hence some funds were transferred to her and then passed onto her friends.

### **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've looked over the additional evidence Mr M has sent to me and having done so, my outcome has not changed from what I set out in my provisional decision. The evidence provided does not alter that Mr M's testimony has changed over time, and his comments have only reinforced this. And the mismatch in the withdrawals from his crypto-currency wallet are still concerning as they don't align with his Monzo statement.

In any event, I explained why, even if I were to agree that he has suffered the losses he says he has, I would not be upholding the complaint as I do not think Monzo missed an

opportunity to reveal the scam in the circumstances. Because of the findings set out in my provisional decision, I do not think Monzo needs to provide a refund in the circumstances.

### **My final decision**

I do not uphold Mr M's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 August 2024.

Rebecca Norris  
**Ombudsman**