

## The complaint

Mr P complains that Monzo Bank Ltd won't refund the money he lost to a job scam.

## What happened

The details of this complaint are well known to both parties, so I won't repeat everything in detail again here. However, in summary, Mr P and his girlfriend fell victim to a fake job scam.

Mr P's girlfriend had been contacted on a messaging app by someone purporting to work for a company that would pay her to complete "marketing optimisation" tasks on her mobile phone. Mr P's girlfriend would be paid for completing batches of tasks, but she would have to pay in funds first using cryptocurrency to purchase the tasks to earn her commission.

Mr P's girlfriend made a number of payments to the scam via a cryptocurrency account. However, when she tried to withdraw her commission funds, she was told she would need to pay tax. Mr P's girlfriend didn't have this money and so she asked Mr P for help.

Over the following weeks, in order to release his girlfriend's funds, Mr P made card payments and bank transfers totalling just under £38,000 towards the scam via a cryptocurrency account held in his own name. Mr P eventually realised he had been scammed when the scammers continued to pressure him to make more payments without allowing him or his girlfriend to release any of the commission payments they'd been told they were due.

Mr P complained to Monzo about what had happened, but Monzo did not respond to Mr P's complaint within the given timeframe, so he brought his complaint to this service.

One of our investigators looked into the complaint and originally thought it should be partially upheld. They thought Monzo should've questioned Mr P about the sixth payment prior to it leaving his account as, by this point, the activity on the account had started to look suspicious. The investigator thought, had Mr P been questioned by Monzo, the scam would've likely come to light and been stopped. So, the investigator said Monzo should refund the money Mr P had lost from the sixth payment onwards, less a deduction of 50% to recognise Mr P also played a role in the success of the scam.

Monzo disagreed with the investigator's opinion, and it provided further information from the time the scam took place. Specifically, Monzo provided a recording of a conversation it had with Mr P when he had attempted to make the second payment.

Monzo had contacted Mr P to ask him about the payment he was making as it was concerned he might be falling victim to a scam. However, when asked about why he was making the payment, Mr P didn't say he was making payments as part of a remote working opportunity, which would've been readily identifiable by Monzo as a scam. He told Monzo he was looking to invest in cryptocurrency as part of a long-term investment plan he had. And when asked further questions, Mr P confirmed he wasn't being coached into making

payments and he wasn't forwarding the cryptocurrency he was purchasing on to anyone else - which wasn't true. Mr P did not mention anything about his girlfriend's job opportunity at all.

Monzo said that as Mr P had not told it the real reason he was trying to make the payments, it had been unable to protect him from financial harm and so it wouldn't be reasonable to hold Monzo responsible for Mr P's loss now.

Our investigator reviewed the new evidence provided by Monzo and agreed that it appeared Mr P had been unwilling to tell the bank the real reason behind the payments in order to ensure they were processed at his request. Because of this, the investigator didn't think it would've been possible for Monzo to have prevented the scam and to have protected Mr P from financial harm - Mr P was willing to deceive the bank to ensure the payments were processed. And this had made it difficult for Monzo to uncover what was happening and prevent it from taking place. For this reason, our investigator decided to change his opinion, and not uphold the complaint.

Mr P disagreed with the investigator's opinion. He said he hadn't been told by the scammers to lie to the bank or follow a scam "script", he had simply wanted to help his girlfriend, and this had led to him being dishonest under duress, which he was sorry for now.

As an agreement could not be reached, the complaint has 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.

It isn't in dispute that Mr P has fallen victim to a scam here, nor that he authorised the payments that are the subject of this complaint himself. And so, the starting point under the relevant regulations (in this case, the Payment Services Regulations 2017) and the terms of Mr P's account is that he is responsible for payments he has authorised himself.

However, whilst Monzo is not required or obliged to make checks, I am satisfied that, taking into account longstanding regulatory expectations and requirements, and what I consider to have been good practice at the time, it should fairly and reasonably have been on the lookout for the possibility of APP fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances – as in practice all banks, including Monzo, do. And as Monzo proactively did in this case.

So, with this in mind, I've considered whether Monzo should have done more to prevent Mr P from falling victim to this scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular payment. For example, if it was particularly out of character compared to the normal activity on the account.

In this case, the investigator considered that the sixth payment Mr P made on 28 February 2023 for £4,000 ought to have been regarded as unusual, and I agree. This was the sixth high value payment made by Mr P within a 2-day period, to a cryptocurrency provider. This was a significant increase in Mr P's spending on the account, and by this stage, a trend was starting to emerge that had some of the hallmarks of a cryptocurrency scam.

However, what actually happened, was that Monzo had identified the earlier activity on the account as suspicious and it had proactively contacted Mr P about the second payment he had attempted to make from his account.

Monzo had initially contacted Mr P via its in-app chat and enquired as to the reason he was making the payment. Via the chat, Mr P told Monzo that he was looking to invest in cryptocurrency order to take advantage of current market conditions.

Unsatisfied with Mr P's response, Monzo called Mr P to have a more detailed discussion about the payment. During this conversation Monzo asked Mr P:

- If he'd been asked to download any third-party viewing software
- Whether the investment was something he'd looked into and researched himself
- Whether he was speaking with anyone else about what he was doing
- Whether he was sending the funds over to a different wallet or on to someone else after they were purchased

Monzo also informed Mr P that scammers often tell customers to lie to their banks and so it was important that he respond truthfully to any questions asked.

In response to the above, Mr P told Monzo he was making payments in relation to a long-term cryptocurrency investment, which he had researched himself. He also confirmed that he wasn't speaking to anyone else about the investment. Mr P didn't tell Monzo that the payment was being made as part of his girlfriend's job or about the person directing him to make payments either. When specifically asked about whether he was moving the funds on to an account outside of his control, he said no, which wasn't true.

When asked about why he misled Monzo, Mr P said he had wanted to help his girlfriend out of a very distressing situation and had been dishonest under duress to ensure the payments went through so he could help her.

I have significant sympathy for the situation Mr P found himself in and I understand his desire to help his girlfriend. But ultimately, by not being forthcoming as to the real reason for the payments, he has prevented Monzo from identifying the scam and preventing the funds from being lost. And so, I don't think it would be reasonable to say Monzo could've prevented the scam or it should be held liable for Mr P's loss now. I'm satisfied Mr P's failure to disclose the real reason behind the payments, reasonably impacted Monzo's ability to prevent this scam from taking place.

If Monzo had been aware that Mr P was making payments as part of a task-based job opportunity, it likely would've readily identified this as a well-known scam and told Mr P as such. But the bank can only give a warning based on the scam risk it could've reasonably identified at the time – which in this case was a cryptocurrency investment scam. So, I don't think it would be reasonable to say that in this particular case, Monzo should've identified that Mr P was about to fall victim to a fake job scam and that it failed to protect him from financial harm. Given Mr P's answers to the questions posed to him, Monzo couldn't have known this at the time.

And I haven't seen anything that persuades me that anything different would've happened had Mr P been questioned about the sixth payment or at a later date. It seems to me that Mr P was determined to ensure the scam payments were processed at his request. And I haven't seen any evidence that suggests that Mr P would've answered the questions differently if asked about one of the later payments at a later date either.

I want to say how sorry I am to hear about what's happened to Mr P. I know he has lost a lot of money to a cruel and callous scam. I understand why he feels strongly that Monzo should offer him a refund now. But ultimately, I don't think Monzo has acted unreasonably in not upholding his complaint and so I won't be asking it to do anything more now.

### **My final decision**

My final decision is that I don't uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 23 October 2024.

Emly Hanley Hayes  
**Ombudsman**