

## The complaint

Miss G complains that Monzo Bank Ltd (Monzo) won't refund money she lost in a jobs scam.

## What happened

### *What Miss G says:*

Miss G was looking to earn some extra money to add to her regular employment. She searched the internet and applied for a job with a company which was offering what seemed to be an easy way to make money – taking only a few hours a day, working flexibly.

She was introduced to someone who explained the job was to buy goods online and add positive reviews about the retailer – to increase their marketability. The goods would not actually be bought, and Miss G was to get the money refunded immediately, plus a commission. She started to make payments in July 2023 and continued through to 22 August 2023.

She received two refunds/commission into her account in July 2023. But after that, the scammer gave various stories as to why the money wasn't being paid.

After a while, she was told she had to put more money in to get a withdrawal, and so she sent more funds.

To fund the payments, Miss G says she took out a loan from another bank for £4,000 at interest of 7%, with repayments of £87 per month. **(continued)**

The payments were:

Date	Payment	Amount
1 July 2023	Faster payment – various payees	£30

1 July 2023	Faster payment – various payees	£70
1 July 2023	Faster payment – various payees	£380
1 July 2023	Faster payment – various payees	£500
1 July 2023	Faster payment – various payees	£420
1 July 2023	Faster payment – various payees	£200
1 July 2023	Faster payment – various payees	(£39)
1 July 2023	Faster payment – various payees	(£84)
3 July 2023	Faster payment – various payees	£500
3 July 2023	Faster payment – various payees	£600
22 August 2023	Faster payment – various payees	£260
22 August 2023	Faster payment – various payees	£200
22 August 2023	Faster payment – various payees	£385.15
22 August 2023	Faster payment – various payees	£200
22 August 2023	Faster payment – various payees	£358.15
<b>Total (net of refunds)</b>		<b>£3,980</b>

When Miss G couldn't withdraw anything and was asked to put more money in, she realised she'd been scammed. Miss G says she contacted Monzo on 4 July 2023 but heard no more after that.

As a result of the scam, Miss G has been left with a debt of £4,000 and this isn't affordable – she says she has entered an IVA for her debts. She has suffered depression and anxiety and has had to pay for private therapy sessions. She feels embarrassed about what happened and can't tell other people about it because of her shame.

*What Monzo said:*

Monzo didn't issue a final response by the time Miss G brought her complaint to us. In their business file submission to us, Monzo said:

- The bank didn't respond to Miss G's fraud claim within their timeline of 35 days.
- Miss G made and authorised the payments.
- None of the payments were considered suspicious or warranted intervention. No warnings were given.
- One Confirmation of Payee (COP) response was received which said the payee details didn't match. On the others, the recipient banks didn't provide a COP service.
- Miss G didn't complete her own due diligence to ensure the scheme was viable and genuine.
- Monzo tried to obtain recovery of the funds sent – on 4 July 2023. But responses

from the recipient banks (on 4 September 2023 and 19 September 2023) - said no funds remained.

- For some internal logging errors and for what was said in the online chats in July 2023, Monzo offered compensation of £75.

#### *Our investigation so far:*

Miss G didn't accept this and brought her complaint to us. Our investigator said the payments were too low in value to expect Monzo to have intervened. The payments were all for less than £1,000.

He agreed the payment of compensation of £75 that Monzo offered was sufficient.

Miss G didn't agree. She said there was a sudden change in spending pattern which should've alerted Monzo that there was a possible scam going on. She asked that an ombudsman look at her complaint, and so it has come 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.

I'm sorry to hear that Miss G has lost money in a cruel scam. It's not in question that she authorised and consented to the payments in this case. So although Miss G didn't intend for the money to go to a scammer, she is presumed to be liable for the loss in the first instance.

So, in broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what is fair and reasonable in this case.

But that is not the end of the story. Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I need to decide whether Monzo acted fairly and reasonably in its dealings with Miss G when she made the payments, or whether it should have done more than it did. I have considered the position carefully.

The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides for refunds in certain circumstances when a scam takes place. But – it doesn't apply in this case. Monzo hasn't signed up to the Code, but they follow its principles.

I considered whether the value of the payments would reasonably have caused Monzo to have intervened and questioned them.

And while I accept this was a lot of money to Miss G, the payments in question were in fact low value ones. Even accepting there were six payments on 1 July 2023, there was nothing about the payments that ought reasonably to have concerned Monzo.

There's a balance to be struck: Monzo has certain duties to be alert to fraud and scams and to act in their customers' best interests, but they can't be involved in every transaction as this would cause unnecessary disruption to legitimate payments. In this case, I think Monzo acted reasonably in processing the payments.

In her complaint, Miss G said she contacted Monzo on 4 July 2023 about the scam. I looked at what happened then – as she then went on to make further payments in August 2023. So, I wanted to ensure that Monzo did what we would've expected the bank to do at that stage.

The online chat with Monzo on 4 July 2023 showed that Miss G was then aware she was the victim of a scam. She reported the first eight payments as such; and described how she'd been tricked into sending the money. It's not therefore clear why Miss G then went ahead and made five further payments in August 2023 – when she knew she was being scammed.

Monzo said they'd look into it and try to recover the money. The bank also said she should contact Action Fraud.

I can see that Monzo did then contact the recipient banks on 4 July 2023. So here – I'm satisfied that Monzo did what they needed to do at that time. But, Monzo didn't investigate the scam until later on, in October 2023. And so – Miss G was left wondering what the outcome would be. And for that delay, Monzo have offered to pay compensation of £75 – which I consider is reasonable.

### *Recovery*

We expect firms to quickly attempt to recover funds from recipient banks when a scam takes place. I looked at whether Monzo took the necessary steps in contacting the bank that received the funds – in an effort to recover the lost money. I can see that Monzo approached the recipient banks on 4 July 2023 but were advised between 4 September 2023 and 19 September 2023 (by the various banks) that no funds remained. They were removed quickly on 1 July 2023 – which (in our experience) is common in such scams.

So – Monzo did what they were expected to do here.

Miss G has lost a lot of money. She's explained why the money was important to her, and the impact her losses have had. I was sorry to learn of her circumstances. She will therefore be disappointed by my decision, but I'm not going to ask Monzo to do anything here.

### **Putting things right**

While I don't consider Monzo need to refund the money that Miss G lost, the bank should pay the compensation they've offered - £75.

### **My final decision**

I uphold this complaint. Monzo Bank Ltd must:

- Pay compensation of £75 for stress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 26 July 2024.

Martin Lord  
**Ombudsman**