

The complaint

Mr Z complains that Monzo Bank Ltd hasn't refunded him after he fell victim to a concert ticket scam.

What happened

Mr Z was looking for resale tickets to a Taylor Swift concert as he'd been unable to find any available through direct channels. He found someone advertising two tickets on social media and contacted the person. Mr Z didn't realise at the time, but he was entering into a conversation with a scammer.

The scammer informed Mr Z he still had two tickets available for £115 each. Mr Z wanted the tickets and agreed to go ahead.

Before he sent the money he checked where the seats were within the arena. He then asked the scammer to send the tickets before he made the payment saying, 'Just trying to be cautious.' But the scammer refused.

Mr Z then sent half the money and asked the scammer to send one ticket. But the scammer said he couldn't separate them and required payment of the rest of the money, which Mr Z then sent.

The scammer then cut off contact with Mr Z and that's when he realised he'd been scammed. He contacted Monzo right away to report what had happened.

Monzo failed to respond to him quickly. Once it did, and had gotten Mr Z's account of events, it said it wouldn't be able to refund his loss.

Monzo did contact the firm that held the account he sent money to. But nothing was returned.

Mr Z is unhappy because he doesn't think Monzo did enough to protect him, either before or after the scam. He believes he's due a refund and so brought his complaint to our service.

One of our investigators considered the complaint and didn't recommend Mr Z be refunded. He said that Monzo had fairly declined to reimburse him following a consideration of the Lending Standards Board's Contingent Reimbursement Model (CRM) Code. He found that Mr Z had lacked a reasonable basis for believing the seller was legitimate, particularly as Mr Z had shown hesitancy about buying the tickets.

He got in touch with the account holding firm who confirmed Mr Z's money was removed within minutes of it being sent. He said on that basis there was nothing Monzo could have done to recover the money.

Our investigator explained Monzo had made an offer of £50 compensation to recognise the delays in having the scam claim investigated.

Mr Z didn't accept the outcome or the offer from Monzo and so the case has been passed to

me for review.

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 disappoint Mr Z but I'm reaching the same outcome as our investigator and for broadly the same reasons. I'm not telling Monzo to refund any of his loss. The offer of £50 compensation for the way his claim and complaint were handled is still there for him to accept if he wishes though.

I acknowledge that Mr Z has lost out here and that the sum is significant to him. Sadly, scammers like this are unscrupulous in who they target and how. And the impact of their crimes can be great, whatever the amount lost. But I can only fairly and reasonably tell Monzo to refund Mr Z if it has made a mistake, which I don't find it has. I'll explain why.

The starting point at law is that Mr Z is responsible for any transactions made from his account which are properly authorised. This is set out in the Payment Service Regulations (2017) and confirmed in Mr Z's account terms and conditions. There's no dispute here that Mr Z authorised the transactions, albeit as part of a scam.

Monzo has agreed to follow the principles of the CRM Code, though it isn't a full signatory to it. The Code is in place to see the victims of scams reimbursed in most circumstances. But there are exceptions to reimbursement a firm like Monzo can rely on in choosing to deny a refund. Monzo has said one such exception applies here. It doesn't think Mr Z held a reasonable basis for believing the purchase and the seller were legitimate, having not carried out checks to try and establish that legitimacy.

I'm in agreement with Monzo's position here, as was our investigator. This isn't to say that Mr Z knew he was being scammed and sent the money anyway. But the evidence does show he was aware of ticketing scams and the risks but decided to go ahead anyway. He did so where there were signs all was not as it seemed and there were some checks Mr Z could have carried out to try and establish the legitimacy of the seller.

I'm satisfied Mr Z was aware of the risks of buying concert tickets from an unknown person on social media. He specifically said to the scammer that he was trying to be cautious. And, after the scam, he told Monzo, *'we were worried it was a scam, but he said they (the tickets) couldn't be transferred separately'*. So it is clear Mr Z was worried about a scam but decided to go ahead without doing anything more to verify the seller's legitimacy.

Mr Z has suggested he did do enough, by confirming the scammer had the tickets. But, from the evidence I've seen, there was only a screenshot from the official ticketing website. There appears to be nothing within the screenshot to confirm those tickets were in the possession of the scammer, or who had bought them. And so I can't say this was enough for Mr Z to be fairly and reasonably satisfied all was above board.

There are some other features of the proposed sale and the contact with the scammer that I find ought fairly and reasonably to have caused Mr Z some alarm and to have led him to either carry out more checks or abandon the purchase.

First, the tickets were being offered for resale at £115. But tickets for that event were changing hands for significantly more, as a result of its enormous popularity and with tickets selling out within an hour. The resale prices typically ran into the hundreds of pounds. So I'm persuaded Mr Z ought to have found the price suspicious in and of itself.

On the screenshot of the tickets that were meant to be for sale, there's clearly a notice that states 'resale unavailable' which would suggest the tickets couldn't be sold on.

Mr Z asked the scammer to confirm the seat allocation for the tickets. The scammer replied with an image of a stadium. But that image wasn't of the venue Mr Z believed he was buying tickets for. There were clear differences and Mr Z himself shared the correct image of the arena the concert was to take place at. The image the scammer sent was also clearly not from the official ticketing site, instead being pulled from a completely different and unconnected website which listed general information about a different city.

I've set out here some of the concerning features that were present. The question then is what might Mr Z have done differently? One option was to abandon the sale at that point. He was concerned about a scam but didn't carry out any further checks. But there were options available to him that would more likely than not have either seen the scam avoided or to have at least increased his reasonable basis for belief.

Mr Z had contacted an unverified social media profile about the tickets. And it doesn't look as though the profile contained the real name of the person that controlled it. A reasonable step for Mr Z to have taken would have been to seek confirmation of the person's name and to make sure it matched the account he was sending the money to.

It was even possible to carry out a check of that nature without asking the scammer any questions. The person on the profile claimed to be the owner of a limited company, naming that company within his bio. Searching for that company online reveals the owner has a completely different name to the account Mr Z was told to pay.

Mr Z has said he ensured the scammer held the tickets that were for sale. But the only evidence I've seen of this is the screenshot from the official ticketing site. There's no corresponding bank statement to show the purchase, a confirmation email, an invoice, or anything to properly establish ticket ownership. These are all things Mr Z could reasonably have asked for.

I can see the conversation with the scammer appeared to be quite normal. They responded to Mr Z's questions and seemed happy to pull out of the sale if Mr Z was unsure. But I don't find this seemingly innocent demeanour was enough for Mr Z to rely on the sale being genuine, given the other circumstances I've described above.

I have also thought about whether Monzo did enough to protect Mr Z, as he doesn't believe it did. I disagree with him here. Whilst I don't underestimate the impact of the loss on Mr Z it's fair and reasonable to say the sums sent to the scammer weren't high in value. And so I wouldn't have expected Monzo to identify them as a scam risk. In turn, I wouldn't have expected Monzo to warn Mr Z about the risk of scams at the point he was making the payments. It might also be argued that he would have proceeded anyway, if given a warning, considering he was evidently already aware of the risks.

I've also looked at whether Monzo did all it could to try and recover Mr Z's money. In reality it didn't as it didn't contact the account holding firm immediately when he reported the scam. However, this delay didn't have any impact on Monzo's ability to recover the money. That's because the money had already been removed from the recipient account before Mr Z realised he had been scammed (I can see he was still sending messages to the scammer after the money had gone) and before he reported the scam to Monzo. So there was never any prospect of recovery.

That delay in contacting the receiving bank is reflective of Monzo's handling of Mr Z's scam claim. It didn't act quickly enough and didn't deliver the right responses at the right time.

Monzo reflected on this when preparing its file in response to the complaint being raised with us. It's in recognising its mistakes here that it put forward the offer of £50 compensation.

Whilst I recognise Mr Z's frustrations in dealing with Monzo and not feeling supported by it I'm not persuaded to make a greater award here, given the overall outcome of the scam claim. It's now for Mr Z to decide if he wants to accept that £50, if it hasn't already been credited to his account.

Putting things right

I'm not upholding the main part of Mr Z's complaint. But Mr Z can choose to accept the £50 offered by Monzo should he wish to.

As this offer was made after Mr Z brought his complaint to our service there has been a change in outcome, and the complaint will be recorded as having been upheld as a result. I'm aware it won't feel like much has changed to Mr Z or that his complaint has been upheld, but that is how I must record the outcome.

My final decision

This complaint against Monzo Bank Ltd is upheld in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 6 August 2024.

Ben Murray
Ombudsman