

## The complaint

Mrs H has complained that Prepay Technologies Ltd (trading as “Monese”) failed to protect her from becoming the victim of a cryptocurrency-related scam.

## What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mrs H has used a professional representative to refer her complaint to this service. For the purposes of my decision, I’ll refer directly to Mrs H, but I’d like to reassure Mrs H and her representative that I’ve considered everything both parties have said.

Mrs H explains that between March 2023 and May 2023 she made four payments which were the result of a scam she’d fallen victim to.

Mrs H has explained that around March 2023 she saw an investment opportunity advertised on television. As she was interested in the opportunity Mrs H completed an online form requesting a call back from the company. She received the call as expected, and as well as outlining the details of the investment she says that she was told she’d need to invest an initial £250, which she did.

During the call back Mrs H says she was told the investment involved the purchase of currency. She also says that shortly after the initial call she was informed that the investment had increased to £750. As a result of this, she requested to withdraw the initial £250 she’d deposited but she was strongly advised against this. She also says she was also given some information on the returns she could expect from her investment.

Mrs H says she was directed by the scammer to open an account with Monese to facilitate payments to and from her investment, and as she was unsure how to do this, she agreed to let the scammer “screen share” with her to help her. Once her account was opened Mrs H made several payments to different cryptocurrency exchanges to fund her alleged investment.

After some time Mrs H requested to withdraw her investment. She then received a message letting her know that her account had been blocked due to suspected fraud. The message told Mrs H she’d need to invest more in order to release the funds held by the cryptocurrency platform. Mrs H says that at this stage the scammer took control of her computer and made the payments in question, which she was told were to unlock her account and to cover a tax payment.

The payments Mrs H made related to this scam were as follows:

| <b>Date</b> | <b>Amount</b> |
|-------------|---------------|
| 06/03/2023  | £5,000*       |
| 08/03/2023  | £4,400        |

|                   |               |
|-------------------|---------------|
| 08/03/2023        | £600          |
| 15/05/2023        | £2,485        |
| <b>Total loss</b> | <b>£7,485</b> |

\*this payment was returned to Mrs H's account on 07/03/2023

When Mrs H realised she'd been scammed she made a complaint to Monese. In the complaint she said that Monese had failed to take note of the potential scam she was falling victim to when she made a number of large payments to new payees. Monese didn't uphold Mrs H's complaint, so Mrs H referred it to this service.

Our investigator considered everything and didn't think the complaint should be upheld. She explained she thought that the way Monese intervened before sending the payments was proportionate.

As Mrs H didn't accept the investigator's opinion, the case has been passed to me to make a 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.

I'm sorry to disappoint Mrs H but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mrs H authorised these payments from leaving her account. It's accepted by all parties that Mrs H gave the instructions to Mettle and Mettle made the payments in line with those instructions, and in line with the terms and conditions of Mrs H's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

Monese says that each time Mrs H sent a payment it asked her for the purpose of that payment. It says that for the first, second and third payments she gave the purpose of "bills and invoices" and for the fourth she gave the reason as "shopping". Monese says it showed Mrs H pop-up warnings based on the reasons she gave it for making the payments.

I've seen from the information Monese provided to this service that it clearly had some concerns about the source of funds for the payments Mrs H made. There's several notes on file showing that it investigated where the funds had originated from, and weighed up the risks associated. And I can see that it also considered the outbound payments Mrs H made – noting that as well as sending payments to the cryptocurrency exchanges, she'd also received several payments from the same companies.

I've also seen email correspondence between Mrs H and Monese, albeit after the events complained about, in which she confirmed several times she was transferring money to buy cryptocurrency using her own cryptocurrency exchange account. And looking at the transactions on Mrs H's account throughout the year I see she's sent received a lot of payments – some very large – from the cryptocurrency exchanges. This, alongside the

emails Mrs H sent, isn't what I'd typically expect to see in a scam and so I don't think Monese made the wrong decision to release the payments in line with Mrs H's instructions.

Having reviewed everything, including the activity on Mrs H's account, I agree with the investigator that Monese should've been on notice that something might've been amiss on 8 March 2023 when Mrs H sent two payments, totalling £5,000 in one day – so I think it should've intervened. But as the activity was in line with the reason Mrs H gave for using the account, of buying cryptocurrency, I think the written warning the Monese gave was a proportionate intervention so I don't think it ought to have done more than it did.

Monese has provided evidence to show the payment purposes that Mrs H selected when making each payment – and the corresponding warnings it showed her related to those purposes. Although there was an option to select the purpose of the payments as “making an investment” Mrs H selected the options that she was “paying bills or invoices” and “shopping”. So although the warnings Monese displayed weren't particularly relevant to Mrs H's situation, I don't hold Monese responsible for that, or for the losses that followed as a result.

I note Mrs H says she was coached into giving Monese incorrect answers for the purpose of the payments. But she hasn't provided any further evidence of this, and in her email correspondence with Monese I note she's given information at odds with the purposes she selected during the payment journey. So this doesn't change my decision in this case.

#### Recovery of the funds

I've seen that Monese attempted to recover the funds once it was made aware of Mrs H's complaint. But as this was over a year after the first transaction was made, and as the payments went to Mrs H's own account at the cryptocurrency exchange, which was then used to purchase cryptocurrency, it wasn't successful in recovering anything.

I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't uphold Mrs H's complaint.

#### **My final decision**

I don't uphold Mrs H's complaint against Prepay Technologies Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 25 October 2024.

Sam Wade  
**Ombudsman**