

## The complaint

Mr R complains that Monzo Bank Ltd hasn't reimbursed money he lost to a scam.

## What happened

The background to this complaint is well-known to both parties, with the circumstances having been discussed at length. First, through Monzo's own complaint handling process. Then when one of our investigators considered the complaint and recommended it be upheld. And then through my informal contact with Monzo, where I've sought to reach an outcome agreeable to all parties.

The case has now moved to final decision as Monzo hasn't agreed with my informal findings. Given the level of communication and engagement on this complaint that has already taken place, I'll only provide a summary of events here.

Mr R was the unfortunate victim of what's commonly called a job scam. He was told he could make many by completing tasks online. To facilitate that work, he was told he'd need to pay funds to the employer's platform by way of a cryptocurrency wallet. So Mr R sent money from Monzo to a cryptocurrency provider. From there cryptocurrency was bought and sent on to the scammers.

The first payment to the cryptocurrency platform was small; only £50. But the next day the payment values escalated, with £183, £410, £923, and £2,030 (I'll refer to this payment again later, calling it Payment five) being sent within the space of just over an hour. There was then another payment of £70 and an attempt to send £4,500.

Monzo intervened in the attempted payment of £4,500. It stopped it from leaving Mr R's Monzo account and questioned him about the purpose of the payment. This intervention revealed the scam and prevented any further loss to Mr R.

Monzo considered whether it would reimburse Mr R any of the money he'd lost but decided not to. It said Mr R's loss occurred from the cryptocurrency platform, not from his Monzo account, and so said it wouldn't refund any of the payments he'd made.

Mr R brought his complaint to our service as he was unhappy with Monzo's answer. One of our investigators considered the complaint and said it should be upheld. He felt Monzo ought to have intervened earlier than it did, at Payment five, and that further losses to Mr R could have been prevented.

Our investigator said that Mr R would be responsible for all payments made before Payment five. He also said Mr R would be responsible for 50% of Payment five, given his actions hadn't been reasonable throughout and considering the plausibility of the scam overall.

Mr R accepted but Monzo didn't. In summary, it didn't agree Payment five presented enough of a risk for it to intervene, and it maintained its position on the point of loss being the cryptocurrency platform.

The complaint has since been passed to me and I've corresponded with Monzo about the outcome, setting out why I'm satisfied the complaint ought to be upheld. Monzo has maintained its position and so it's now necessary for me to issue this final decision to bring the complaint to a close.

### **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.

Having done so, I'm upholding it. I've already explained my reasoning to Monzo. That reasoning is broadly similar to our investigator's findings. With that in mind, my findings here will be brief.

Monzo is expected to process authorised payment instructions received from Mr R quickly. And Mr R is generally responsible for any payments that leave his account which are properly authorised. These positions are set out in the Payment Service Regulations (2017) and confirmed in Mr R's account terms and conditions.

However, firms like Monzo ought fairly and reasonably to be monitoring accounts for signs that its customers might be at risk of financial harm through fraud. Monzo largely accepts this and indeed its actions reflect that it does carry out such monitoring. It did intervene and questioned the attempted payment of £4,500.

My finding is simply that this intervention ought to have come sooner. That's because the pattern of spending and associated characteristics had become aligned with well-known and well-established scams. Mr R had authorised a series of payments in quick succession, with the value growing each time. The total value, by Payment five, had exceeded £3,000.

The payments were being made to a cryptocurrency platform. It is certainly true that many such payments will be completely legitimate. However, it is also true that use of such platforms has been a growing fraud trend for years, a trend that Monzo ought fairly and reasonably to have been aware of at the time Mr R fell victim to the scam.

These are common features of both a job scam and a cryptocurrency investment scam. And I'm satisfied the identifiable scam risk had presented itself enough for Monzo to have been concerned by Mr R's actions at Payment five. That's when the intervention ought to have occurred.

It's evident that intervention at that point would have made a difference and prevented further losses. That's reflected by what happened when Monzo did intervene, two payments later. And so I'm satisfied it's fair and reasonable for Monzo to reimburse Mr R for at least some of his loss from Payment five onwards.

Our investigator recommended that Mr R still bear responsibility for 50% of his loss from that point. Mr R agreed with that, and I see no reason to reach a different finding. It does appear that the details of the job, how he was to earn money, and the fact he had to pay cryptocurrency in before he could get any wages out present the supposed opportunity as implausible. I find it's then fair and reasonable Mr R does shares some responsibility for his losses.

### **Putting things right**

On Mr R's acceptance Monzo should:

- Refund 50% of Mr R's outstanding losses from Payment five onwards; *and*
- Pay interest on that sum at 8% simple per year, calculated from the date of loss until the date of settlement.

### **My final decision**

I uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 December 2024.

Ben Murray  
**Ombudsman**