

## **The complaint**

Miss Q is unhappy that Monzo Bank Ltd won't refund the money she lost after she fell victim to a scam.

## **What happened**

The background to this complaint is well-known to both parties, so I won't repeat it all here. But briefly, and based on the submissions of both parties, I understand it to be as follows.

In February 2023, Miss Q was looking to buy tickets for a concert. She found some tickets on a well-known social media platform. She's said she could see the seller was active on the platform, the tickets were being sold at face value and the seller appeared to have sold tickets to other events.

Believing everything to be genuine, on 3 February 2023, Miss Q went ahead and made a payment for £240 to the bank details provided by the seller. But after making the payment, she became concerned when she was blocked by the seller and didn't receive the tickets. Unknown to her at the time she had been communicating with a fraudster and had sent her money to an account the fraudster controlled.

Miss Q raised the matter with Monzo. It has committed to follow the Lending Standards Board Contingent Reimbursement Model (CRM) Code (although it isn't a signatory) which requires firms to reimburse customers who have been the victims of Authorised Push Payment ('APP') scams like this in all but a limited number of circumstances. Monzo says one or more of those exceptions applies in this case.

Monzo issued its final response to Miss Q on 5 April 2023, not upholding her complaint. In summary it said it had given a warning and it didn't think Miss Q had taken reasonable steps to check who she was paying. In recognition of the amount of time it had taken Monzo's fraud team to review Miss Q's complaint, it credited her account with £50 as a gesture of goodwill. Monzo tried to recover the money Miss Q lost from the beneficiary bank (the bank to which the money was sent), but unfortunately no funds remained.

Unhappy with Monzo's response, Miss Q then brought her complaint to this service. One of our Investigator's looked into things and thought the complaint should be upheld and that Monzo should refund Miss Q the money she lost, along with interest. In summary, our Investigator didn't think Monzo had established that it shouldn't reimburse Miss Q on the basis that she didn't have a reasonable basis for believing she was making a legitimate payment.

Monzo didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for 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.

Having done so, I am satisfied that:

- Under the terms of the CRM Code, Monzo should have refunded Miss Q the money she lost. I am not persuaded any of the permitted exceptions to reimbursement apply in the circumstances of this case.
- In the circumstances Monzo should fairly and reasonably refund the money Miss Q lost.
- The money was taken from Miss Q's current account. It is not clear how Miss Q would have used the money if Monzo had refunded it when it should have done, so Monzo should also pay interest on the money it should have refunded at 8% simple per year, from the date Monzo decided not to refund Miss Q under the CRM Code to the date of payment.

*Did Miss Q have a reasonable basis for belief when making the payment?*

I've carefully considered Monzo's representations about whether Miss Q had a reasonable basis for believing the purchase was genuine. Weighing everything up, I don't think it would have been evident to Miss Q that there was a risk with this purchase, I say that because;

- Miss Q saw the item she was interested in on a well-known social media platform. She engaged with the seller through a number of messages. From reviewing these messages, I don't consider the seller was applying any pressure (which can often be the indicator of a scam).
- The tickets Miss Q was being offered were being sold at face value. So I don't think it's reasonable to argue that they were being sold at a price that could be considered as 'too good to be true'.
- It is not unusual to purchase items online without seeing them. And in the circumstances of this case, Miss Q had previously received purchased tickets successfully through this platform and by making a bank transfer. I can understand why she moved passed this without being overly concerned.
- The fraudster used what look like an official order confirmation from a well-known ticketing service provider, which was addressed to a name which corroborated with the name on the social media platform. So I think it reasonable that this would have given Miss Q further assurances that the person she was dealing with legitimately had tickets to sell.
- Miss Q took the time to check the seller's profile and it seemed they were active on the platform and sold tickets to other events, which made Miss Q believe they were legitimate.

Miss Q had not been scammed before, and had used this method for buying tickets in the past, without any problems. She is not an expert in all matters relating to frauds and scams, nor about how they work or can play out. The fact that the bank, as a professional in these matters, can think of additional things Miss Q could have done does not mean that she did not do enough. People don't want or expect to be scammed and I think overall Miss Q took reasonable, appropriate, and proportionate steps to try and protect herself. I don't consider she had any reason to think the seller would not keep to their side of that bargain.

For completeness, I also don't think the 'low friction' warning Monzo presented Miss Q with would be considered as 'effective' under the CRM Code, as it wasn't specific to the particular scam Miss Q fell victim to. However having said that, considering the relatively low value of the payment Miss Q was making (and therefore a lesser indication that Miss Q may be a risk of fraud), I don't consider there was a requirement on Monzo's part for an effective warning to be provided.

All things considered, I think it fair and reasonable that Miss Q thought she was dealing with a legitimate seller for a legitimate item when making the payment. I'm satisfied Miss Q took proportionate steps to try and mitigate any risk and that it wasn't unreasonable for her to proceed in making the payment she did. Overall and on balance, I'm not persuaded that Monzo has shown that Miss Q lacked a reasonable basis of belief for making the payment, or that she ignored an effective warning.

### **Putting things right**

For the reasons outlined above, Monzo Bank Ltd should now;

- Refund Miss Q the £240 she lost as a result of this scam.
- Pay 8% simple interest per year on that amount calculated from the date Monzo Bank Ltd originally declined Miss Q's claim until the date of settlement.

### **My final decision**

My final decision is that I uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Q to accept or reject my decision before 28 December 2023.

Stephen Wise  
**Ombudsman**