

The complaint

Mr C complains that Monzo Bank Ltd (“Monzo”) have failed to refund over £4,300 he lost to a cryptocurrency investment scam in November 2021.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my decision.

What happened

Your text here

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 agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr C authorised the disputed payments he made to his Moonpay wallet using his Monzo debit card (where his funds were subsequently transferred on to the scammers). The payments were requested by him using his legitimate security credentials provided by Monzo, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Monzo should have done more to prevent Mr C from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- Having reviewed the first three payments made by Mr C, I don’t think these were enough in themselves to have warranted an intervention by Monzo, as they were of a relatively low value. However, it isn’t in dispute that the fourth payment Mr C tried to make on 30 November 2021 was unusual given that it did trigger the bank’s fraud prevention systems and was automatically blocked pending further enquiry. Accordingly, it’s just a question of whether the bank went far enough in all the circumstances with its interventions.
- Having considered the extent of Monzo’s intervention, I’m not persuaded it asked enough relevant and probing questions to determine whether or not Mr C was at risk of falling victim to a scam. However, even if Monzo had intervened earlier or asked further questions, I’m not persuaded it would have likely stopped him from proceeding or ultimately prevented his loss.
- Mr C believed the investment had been recommended to him by a close friend, whom he said was making good profits, and whom he had no reason to doubt. So, it wasn’t like the typical scam scenario where someone had been approached out of the blue by a

someone they didn't know or trust offering an investment opportunity. He has also confirmed that he had already carried out some research into the broker (ProCyon Trade) to satisfy himself that it was genuine, and that he also had full control of his Moonpay account. So, it doesn't seem likely that any further checks or research Monzo could've asked him to carry out would have resulted in him discovering it was a scam.

- So, even if Monzo had intervened earlier and provided Mr C with a scam warning/told him to carry out further checks, I'm not persuaded this would have stopped him from making the payment. Mr C has said himself that he had no reason to doubt the friend who he thought had recommended the investment, and that he had carried out due diligence on the merchant. Therefore, I don't think Monzo's failure to ask sufficient questions can be considered the proximate cause of Mr C's loss in these circumstances, as it seems likely he would have proceeded to make the payment irrespective of any intervention by the bank.

I appreciate this will likely come as a disappointment to Mr C, and I'm sorry to hear he has been the victim of a cruel scam. However, in the circumstances, I do not consider it would be fair and reasonable to hold Monzo liable for his loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 September 2023.

Jack Ferris
Ombudsman