

The complaint

Ms I complains that Monzo Bank Ltd (“Monzo”) have unfairly refused to refund over £5,000 she lost as part of an investment scam.

What happened

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

Ms I says she fell victim to an investment scam with “Analystq” in January 2022 after she came across an advert on a news website. She made three payments over 24 hours collectively totalling over £5,000 to crypto platform “Ibinex”. Monzo refused to refund the money Ms I had lost as it said she hadn’t reported them as fraudulent. It also said she had authorised the payments.

Our investigator upheld the complaint. She thought that Monzo ought to have intervened on the basis of there being unusual activity on Ms I’s account from the third payment she made of £3,000 on 1 February 2022. Had it done so, the investigator felt that any further loss would have been prevented. Monzo disagreed, so the matter was escalated to me to determine.

I issued my provisional findings on this complaint to Ms I on 23 March 2023. I said I was minded to reach a different outcome to the investigator as I didn’t intend to uphold it, and set out the following reasons:

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 do not currently intend to uphold it.

While Ms I can show that she transferred money from her Monzo account to her Ibinex wallet, she has not been able to provide any evidence to show that the cryptocurrency was in fact transferred out of the wallet to the scammer. So, while I accept there may have been suspicious activity that would have warranted an intervention by Monzo, I’ve not seen enough persuasive evidence to demonstrate that Ms I has actually suffered a loss here.

I invited further comments and evidence from both parties. Ms I responded with some WhatsApp screenshots between her and the alleged scammer but said she couldn’t provide any evidence of transactions from within her Ibinex account to show the cryptocurrency being paid to the scammer. Monzo didn’t respond with any further comments.

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've decided not to uphold it.

Ms I has provided further evidence in the form of some WhatsApp messages between her and the alleged scammer, where she appears to have asked for money to be withdrawn. But none of these discussions demonstrate that she was asked to open a crypto account with Ibinex or transfer the money to the scammer via this method.

So, as I set out in my provisional findings, I've not seen enough evidence to suggest that Ms I suffered a loss here, because although I can see the money being transferred from her Monzo account, there's nothing to show the funds leaving her possession from her Ibinex wallet and being paid to the scammer.

As a result, I don't consider it would be fair and reasonable to ask Monzo to refund the money she says she's lost as there's not enough evidence to prove it. It follows that I will not be asking it to take any further action.

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 Ms I to accept or reject my decision before 2 May 2023.

Jack Ferris
Ombudsman