

The complaint

Miss A complains that Monzo Bank Ltd (“Monzo”) didn’t do enough to protect her when she fell victim to a scam.

What happened

Miss A found an investment opportunity via her friend’s social media page in July 2023. She was unaware at the time that her friend’s account had been hacked. As a result she lost over £3,000.

Our investigator didn’t uphold the complaint. He didn’t think the payments would have appeared particularly unusual, out of character or suspicious to Monzo when considering Miss A’s normal account and payment activity.

Miss A, via her representative, disagreed. She felt that the final payment – the fourth payment made that day which was for £1,450 – ought to have triggered Monzo to intervene. So the complaint was passed to me.

Monzo hadn’t provided its file at the point the complaint was passed to me. But it later did so. Within this, it said it hadn’t issued a warning, but it concluded that Miss A was fairly convinced the investment was legitimate so may not have been receptive to an intervention. And it also didn’t consider the payments to be extraordinary in value.

Having reviewed all the information provided by both parties, I got in touch with Miss A’s representative to explain how I was minded to proceed. In this, I explained that I agreed Monzo should have intervened at the point of the payment of £1,450 but that I didn’t think it would have made a difference to Miss A’s decision to invest, due to the assurances given by the person she believed to have been her friend.

Miss A disagreed. She said she’d been having doubts, evidenced by the need to contact her ‘friend’ for reassurance. And that it wasn’t unreasonable to assume that a warning from Monzo – a trusted financial source – would have resonated with her concerns. So, she asked for a formal 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 taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Monzo ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I’ve reviewed Miss A’s account and the payments she made to the scam. Having considered these, I maintain that Monzo should have intervened at the point of the final payment, especially given the prevalence of scams involving cryptocurrency by this time. I say this

because this was the fourth payment made that day, the payment was for £1,450, and it brought the total amount of money paid to cryptocurrency that day to over £3,300.

But I'm not persuaded that a proportionate intervention – a tailored written warning – would have prevented Miss A's loss. I note that Miss A told Monzo that she'd asked the person she believed to be her friend if the investment was genuine. And she said she kept asking at every step, receiving positive responses each time. Miss A's representative has said that she was having doubts about the legitimacy of the scam which is why she felt the need to contact her friend for reassurance. And that a warning from Monzo would have resonated with Miss A given her concerns.

But I disagree. Miss A's representative stated "*The fact that your customer thought she was talking to a family friend, someone she knew and trusted instantly instilled trust and confidence into the scam.*" Given the extent of Miss A's trust in her family friend, which is clear from the conversations and overall submissions I've been provided with, I'm persuaded that she would have again turned to her for reassurance if she'd been presented with a written warning at the point of the fourth payment. And, based on what I've seen and been told, I think it's likely Miss A would have continued based on reassurance from her friend.

While Miss A has undoubtedly been the victim of a cruel scam, I can only uphold her complaint if I'm satisfied Monzo's failings made a material difference to what happened. And I don't think they did.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 26 March 2025.

Melanie Roberts
Ombudsman