

The complaint

Mr H complains that Monzo Bank Ltd did not reimburse the funds he lost to a scam.

What happened

Mr H says he fell victim to an investment scam after he found an opportunity online relating to HMO rentals. He began speaking with an individual I'll refer to as X and reviewed a website related to the investment, which appeared genuine. He agreed to invest an initial £5,000 in May 2021. Mr H continued to speak with X, who also offered trading courses and investments in FOREX trading. Mr H went on to make the following transfers from his Monzo account to X for various investments.

Date	Amount
06/06/2021	£5,000
14/06/2021	£2,000
15/06/2021	£2,000
02/12/2021	£4,000

Mr H did not receive returns when he expected to, and he continued to communicate with X for over a year after he made the initial investments. He became aware of other individuals who had not received their returns as expected, as well as negative social media posts about X. After a lot of chasing on Mr H's part, he did receive returns totalling £1,110 between April and June 2022, but no more than that.

Mr H raised a scam claim with Monzo; however they said they were unable to conclude if X was operating as a scam as they had not been provided with enough evidence. The complaint was referred to our service and our Investigator looked into it. They said that there was not enough evidence to show what the agreement was between X and Mr H for the payments, and the loan agreement between the two did not specify a purpose for the funds. As Mr H received some returns and there was no evidence suggesting X set out to deceive him when they took the funds, the Investigator did not think the transactions met the high bar of a scam, and did not agree Monzo needed to reimburse Mr H in the circumstances.

Mr H's representatives disagreed with the outcome. They highlighted that X was operating under a fake name and that he had been arrested and charged with fraud, so they felt this was evidence that Mr H had been the victim of a scam in the circumstances.

I was passed the case for review, and in the interim, received additional evidence from Monzo. I issued a provision decision which read as follows:

I have considered all of the evidence on file around the scam claim raised by Mr H, which includes evidence provided by both parties. While considering the scam claim, I have also taken into account that between the scam payment listed above leaving the account and the scam claim being raised in May 2023, Mr H's account was reviewed and Monzo subsequently took the decision to close the account in March 2022. I am satisfied that this is relevant background information to the scam claim.

Based on evidence we have received in confidence, I am not satisfied that the funds sent as part of the scam represent a genuine loss to Mr H. On that basis, I do not think it would be reasonable to ask Monzo to refund Mr H if I found it had made an error that contributed to this loss.

I therefore currently do not intend to recommend that Monzo reimburse Mr H in the circumstances.

Monzo did not respond to my initial findings.

Mr H's representatives responded and explained that his Monzo account was closed some time ago with no explanation. Mr H assumes this was because of the numerous transfers in and out of his account. These transfers were the result of a betting syndicate organised by himself and three friends. He sent money to unknown individuals found online, who would place bets on behalf of the syndicate. All money into the account were returns Mr H won from the bets, so the loss from the scam was his own.

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.

I have taken on board the comments made by Mr H's representative and again considered it against all the information on file. Having done so, the comments put forth by Mr H do not change my initial findings.

Based on everything I have reviewed, some of which has been received in confidence, I am still not satisfied that the funds sent as part of the scam represent a genuine loss to Mr H. On that basis, I do not think it would be reasonable to ask Monzo to refund Mr H if I found it had made an error that contributed to this loss.

I therefore do not recommend that Monzo reimburse Mr H in the circumstances.

My final decision

I do not uphold Mr H's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 July 2025.

Rebecca Norris

Ombudsman