

## **The complaint**

Mr S is complaining that Monzo Bank Ltd didn't do enough to prevent him from making a payment to a scam, and didn't refund the payment he made.

The complaint is brought on Mr S's behalf by a professional representative.

## **What happened**

Both parties are familiar with the circumstances of the scam, so I'll only summarise them here.

In 2023 Mr S became involved in a cryptocurrency investment scam. It looks like Mr S was initially able to make substantial withdrawals from the scam, before it became clear that no more withdrawals could be made.

In November 2023 Mr S made a debit card payment of £2,850 to a cryptocurrency exchange from his account with Monzo. Monzo initially appears to have declined the payment and asked Mr S for some more information about his overall account activity before it allowed the payment to be made, but it didn't carry out a specific scam intervention.

When Mr S realised he'd been involved in a scam, he contacted Monzo to report what had happened, and to raise a complaint about this payment.

Monzo took around five months to investigate Mr S's complaint, and provided its final response in June 2024. It explained that it wasn't upholding Mr S's complaint.

Mr S brought his complaint to the Financial Ombudsman. Our Investigator looked into what had happened, but she didn't think Mr S's complaint should be upheld. She explained, in summary, that she didn't think Monzo ought to have intervened in the payment to warn Mr S that it may be related to a scam.

Mr S disagreed with the Investigator's view of his complaint. His representative responded to say, in summary, that Mr S still thought Monzo should have intervened, because the payment was out of character and significantly higher than other payments made from his account. It also thought Monzo should have raised a chargeback claim with the relevant card scheme, and that the delay in responding to Mr S's scam report and complaint hindered his chances of recovering the funds in a different way.

Mr S's complaint has now been passed to me for review and 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.

I'm sorry to disappoint Mr S but having done so, I'm not upholding his complaint – for much the same reasons as the Investigator's explained.

It's not in dispute that Mr S authorised the payments, and Monzo does have a duty to act on his instructions. But in some circumstances, Monzo should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that banks such as Monzo process high volumes of transactions each day. There is a balance for them to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

At the time the payment was made I'd expect Monzo to have been aware of the increased risk to its customers of multistage fraud, often including payments to cryptocurrency. But that doesn't mean payments to cryptocurrency should automatically be treated as suspicious – people can and do make legitimate payments to cryptocurrency.

Mr S had made some payments related to cryptocurrency from the account prior to this payment (which he hadn't disputed) but these were of relatively low value. From the information I have about his previous account activity, I can see that the disputed payment was certainly higher than the payments Mr S had previously made from the account - but it's not unusual for customers to occasionally carry out transactions of a higher value than they usually do. And while I appreciate the payment was a lot of money to Mr S, in the scheme of the value of the payments Monzo processes daily, it's not of a level where I'd necessarily have expected it to be concerned that it presented a significant risk of financial harm to Mr S.

While I agree the value of the payment was somewhat out of character compared to previous payments Ms S had made, taking all the circumstances of the payment into account, I don't think it was unreasonable for Monzo not to view it as suspicious, such that it should have given an additional warning before processing the payment. So, I don't think Monzo ought reasonably to have done any more to prevent the payment Mr S made.

Mr S's representative has also said he was vulnerable to the scam because he hadn't invested in cryptocurrency before this – but this doesn't change my findings that I don't think Monzo ought to have done anything else to intervene in the circumstances here.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. Monzo didn't raise a chargeback here, because it said it didn't think it had a reason to do so. And I agree that there were no reasonable grounds for a chargeback to be raised against the merchant here under any of the chargeback reasons provided for in the card scheme's rules – because there doesn't appear to be any dispute that the merchant provided the service Mr S had paid for. So, I don't think Monzo has treated Mr S unfairly here by not raising a chargeback.

There was a delay in Monzo providing Mr S with the outcome of its investigation into the scam report and complaint, which it's apologised for, and I don't think it needs to do anything else here. I've not seen anything to make me think the delay had any impact on the likelihood of Mr S recovering the funds via other means. And if Mr S had wished to seek recovery through other avenues during this time, such as approaching the cryptocurrency exchange directly as his representative has suggested, there was nothing to prevent him from doing so.

I'm sorry to disappoint Mr S. But because I don't think Monzo ought to have done anything more to prevent the payment being made, it wouldn't be fair or reasonable to ask it to refund it.

**My final decision**

My final decision is that I'm not upholding Mr S's complaint.

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

Helen Sutcliffe  
**Ombudsman**