

The complaint

Mr M complains that Monzo Bank Ltd won't refund the money he lost after falling victim to a scam.

Mr M is represented in this complaint by a claims management company, but for simplicity I will refer to Mr M throughout this decision, even when referencing what his representatives have said on his behalf.

What happened

In January 2024, Mr M was contacted by someone who said they worked for a recruitment agency and could offer him a job opportunity. Mr M had been looking for work and so was not surprised by this contact. He was told the job involved him completing tasks to promote online items. As part of this job Mr M periodically received high value tasks that required him to deposit his own funds (in cryptocurrency) to unlock his account. Unfortunately, and unknown to Mr M, this was not a legitimate job opportunity, he was the victim of a scam.

Mr M initially made three small card payments to the scam from his Monzo account, but then began to make larger payments (as faster payments) to buy cryptocurrency to fund the scam. Ultimately, he made payments totalling over £67,000 to the scam, via his cryptocurrency account. When he asked to withdraw his profits, he was told he'd have to pay fees to facilitate that. When Mr M paid these fees and then was told he'd need to make even more payments to unlock his money, he realised he had been scammed.

Mr M contacted Monzo about the scam payments, and it looked into what had happened. But Monzo did not consider that it was responsible for refunding any of Mr M's loss as the payments had been made to cryptocurrency accounts in his own name. It also noted that it had discussed one of the early payments with Mr M.

Mr M wasn't happy with Monzo's response, so he brought a complaint to our service. An investigator looked into Mr M's complaint but didn't uphold it. The investigator did not consider that Monzo should be held liable for Mr M's loss.

Mr M disagreed with the investigator's opinion, so as no agreement could be reached this case has now been passed to me for 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.

Having done so, I've reached the same overall outcome as the investigator, I'll explain why.

It's not disputed that Mr M authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr M is responsible for them. That remains the case even though Mr M was the unfortunate victim of a scam. And, as these payments were made to a

cryptocurrency account in Mr M's name, the Contingent Reimbursement Model Code also does not apply here.

Because of this, Mr M is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr M, or whether it should have done more than it did.

In this case, I consider that, by the time Mr M made a faster payment of over £3,500 to his cryptocurrency account on 5 February 2024, Monzo should have taken steps to ensure that Mr M was not at risk of financial harm. I say this because the amount – over £3,000 – and destination – identifiably to a cryptocurrency account – of this payment were potential indicators that this payment posed a scam risk to Mr M.

And I can see that Monzo did intervene around this time. It froze his account, asked him in the in-app chat what the payment was for, and then called Mr M to discuss the payment. During the in-app chat, and on the phone, Mr M told Monzo the following:

- he was buying cryptocurrency
- the account he was making the payments to was his own;
- he just wanted to try cryptocurrency trading as he thought it was interesting;
- he planned to buy some cryptocurrency and keep it;
- nobody had been advising him, he was doing this all by himself;
- he had not been approached by anyone on social media about investing;
- he'd been able to make a withdrawal from his cryptocurrency account.

Given what we now know about what happened here, it appears that Mr M was not being honest with Monzo about what he was making the payments for. Mr M has said that he was not being coached by the scammers on what to say, but if that is the case then it is not clear why he did not make any mention of these payments being associated with a job in any way when Monzo asked him what the payments were for. With this in mind, it is difficult to say that Mr M would have been honest with Monzo if it had also questioned him about the later payments he made. And when customers are not honest with banks it makes it very difficult for that bank to provide an appropriate and relevant warning that could stop a scam.

Mr M has suggested that the prevalence of job scams means that Monzo should have specifically taken steps to determine if he had been asked to make payments as part of a job, but the evidence I have seen shows that when asked why he was making payments Mr M said he was trading, without the involvement of any third party. Nothing he said would have indicated to Monzo that what was happening to him was a job scam. If Mr M had said anything about the involvement of a third party, or had not said that he was trading in cryptocurrency, then it would perhaps have been reasonable for Monzo to ask directly if he was making payments as part of a job. But based on what it was being told, I think it was reasonable for any warning from Monzo to be focused on cryptocurrency investment scams, as that is the scam that everything Mr M had said suggested was the most likely risk at that

time. And such a warning would not have been relevant to Mr M's actual situation and so would be unlikely to have raised a red flag for him.

With this in mind, I don't consider that Monzo missed an opportunity to prevent Mr M's loss.

I've also thought about whether Monzo did all it could to try to recover Mr M's funds when he told it of the scam. But given that the payments Mr M made were to purchase cryptocurrency directly, I don't consider there is anything Monzo could have done to recover those funds.

I'm sorry to disappoint Mr M as I know that he has lost a significant amount of money. But, overall, I'm satisfied that any reasonable, proportionate intervention from Monzo would not have prevented Mr M from making further payments to the scam. It follows that I don't think Monzo is liable for his loss and won't be asking it to refund any of his losses to him.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 July 2025.

Sophie Mitchell
Ombudsman