

The complaint

Mr L complains that Monzo Bank Ltd have failed to refund £6,056 he says he lost to a crypto investment scam.

The details of this complaint are well known to both parties. So, if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Monzo was responsible for Mr L's loss.

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 agree with the conclusions reached by our Investigator for the following reasons:

- It isn't in dispute that Mr L authorised the disputed payments he made to a legitimate crypto exchange (which I'll refer to as 'C'). The funds were subsequently transferred on to the scammers from Mr L's crypto wallet. The payments were as follows:

Date	Payment
28/12/2023	£1,000
5/1/2024	£2,880
5/1/2024	£200
10/1/2024	£1,978
19/1/2024	£2 (refund)

- The payments were requested by Mr L using his legitimate security credentials provided by Monzo. In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. Monzo is expected to process authorised payment instructions without undue delay.
- I've considered whether Monzo should've done more to prevent Mr L from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a transaction. For example, if it was particularly unusual or suspicious.
- At the time these payments were made there was a high prevalence of crypto investment scams; and so, the risks of making crypto related payments should've been well known to Monzo. But I must keep in mind that banks process high volumes of transactions each day; and that there is a balance for Monzo to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate.

- These payments were also made by way of Open Banking which can make it harder for banks to identify that payments are being made for the purposes of crypto.
- I appreciate that Mr L has lost £6,056 which is a significant amount of money. But this amount wasn't paid in one large transaction. It was spread over four separate smaller increments which, in my judgement, wouldn't have appeared particularly suspicious to Monzo. I'll explain why.
- From looking at Mr L's bank statements in the 18 months prior to the scam, I can see that he regularly made payments of over £1,000. This included a payment for £2,500 in July 2022 and payments of £1,500 and £1,400 on 6 and 8 March 2023 respectively.
- The £2,880 payment to 'C' on 5 January 2024 is larger than previous payments made from Mr L's account. But it isn't unusual for customers to make a larger, one-off payment, during usual account activity.
- All payments were also made to an account in Mr L's own name with a legitimate company ('C'). And I'm also mindful that payments involving the purchase of crypto can be part of a legitimate investment.
- The payments to 'C' were relatively spread out, having been made over a period of 14 days. And they didn't sequentially increase in value, with the third payment (£200) significantly decreasing from the second payment (£2,880). This isn't usually conducive with the hallmarks of a scam and would, in my opinion, have made the payments appear to Monzo more like normal account activity.
- So, having considered the payments Mr L made to 'C', I'm not persuaded, on balance, there was anything unusual or suspicious that ought reasonably to have triggered Monzo's fraud monitoring systems, or that would've indicated he was in the process of being scammed.
- I also agree with our Investigator that there was no reasonable prospect of Monzo recovering the lost funds at the point it was alerted to the scam.

I appreciate this will likely come as a disappointment to Mr L, and I'm sorry to hear he has been the victim of a cruel scam and the impact this has had on him. However, in the circumstances of this complaint, I do not consider it would be fair and reasonable to hold Monzo responsible for his loss.

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 Mr L to accept or reject my decision before **10 October 2024**.

Anna Jackson
Ombudsman