

## **The complaint**

Mr D complains that Monzo Bank Ltd didn't do enough to protect him when he fell victim to an investment scam.

## **What happened**

Mr D came across a company I'll call 'H' via an individual he worked with. He understood it was an investment opportunity relating to cryptocurrency. Mr D says he invested from his Monzo account, via cryptocurrency providers, between August 2021 and March 2022. He says he realised this was a scam when H's website no longer worked.

Mr D complained to Monzo that it missed an opportunity to intervene on his payments. And had it done so, he may not have fallen victim to this scam. Monzo couldn't respond to Mr D's complaint within the required time so gave him referral rights to our Service.

Mr D brought his complaint to our Service, but our Investigator didn't uphold it. She said Mr D hadn't evidenced he'd invested in H. Mr D responded to her assessment with some further information, but she didn't change her view, as she said he hadn't evidenced these payments had ultimately been sent to H. Mr D asked for an Ombudsman to reconsider his complaint, so the case has now been passed to me.

## **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.

In broad terms, the starting position at law is that a bank such as Monzo is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, so the starting position is that Monzo isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Mr D says he made these payments due to being involved in a scam investment with H. However, he's not been able to evidence to our Service that these funds were lost to this scam. Mr D has evidenced that he held an account with H and made some deposits to it. But he hasn't been able to show us that the specific payments complained about here are what funded this scam investment. Mr D is disputing payments between August 2021 and March 2022, but most of the deposit receipts he's provided for H aren't from this period, they are for much later. Only one of the emails is from during this time and one is for four days after the last payment. And he says he has nothing else to evidence the funds from these payments did end up with H.

Looking more closely at the deposit emails, we have one from 7 February 2022, but Mr D didn't make any payments from his Monzo account in February 2022, the closest payment is 31 January 2022. And we have an email from 10 March 2022, with the closest payment being 6 March 2022. So even these payments and the evidence don't align as you'd expect.

Mr D's accounts with the cryptocurrency providers he's shared with us don't show any withdrawals in cryptocurrency on or a few days before the relevant dates he's sent the deposit emails from H. For both payments above, his cryptocurrency account shows the money being withdrawn to a wallet the same day he pays the funds in. But as above, both times this is some days before he receives the receipt from H, so it's difficult to see how there is a link between the emails and the funds being exchanged and withdrawn. I recognise Mr D has explained he has limited information available to show his interactions with H and the scam. But what he has shown us doesn't evidence the money he sent from his Monzo account was used by him to invest in H.

Mr D's cryptocurrency accounts show a great deal of activity and from looking at his account with an EMI, I can see his statements show multiple payments to cryptocurrency that haven't been complained about, suggesting Mr D was using these accounts for more than just his investment with H. We can also see he did successfully withdraw in GBP from one of his cryptocurrency accounts on more than one occasion and these funds were paid into his EMI account – despite him not reporting receiving any returns on either complaint. For example, he made two withdrawals in February 2022. So I can't safely say that the payments now reported were lost to, or even relate to, the scam with H.

I also say this because between 28 and 31 January 2022 Mr D has complained across his two accounts about a total investment of £11,000. The receipt from 7 February 2022 is for one of the lowest amounts purchased from H, so it doesn't seem this deposit receipt is for all of/related to these specific payments, and we have nothing else from Mr D to show him investing with H at this time to evidence these funds were used as he now says.

Ultimately, while I accept Mr D was involved in the scam H ran, he hasn't provided evidence that the payments complained about now did go to this scam. So I can't fairly say Monzo needed to do anything differently, as Mr D hasn't evidenced there was a risk of financial harm associated with him making these payments, that Monzo then ought to have acted to try and prevent. Or evidenced that he has actually suffered a financial loss from these specific payments as the result of a scam.

I also don't consider Monzo needed to do anything to try and recover Mr D's funds once he reported the scam. Mr D has evidenced that he received the cryptocurrency he paid for, so Monzo wouldn't have been able to recover these funds.

### **My final decision**

For the reasons set out above, I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 28 May 2025.

Amy Osborne  
**Ombudsman**