

The complaint

Mr T complains that Monzo Bank Ltd have failed to refund £4,022.82 he says he lost to a crypto investment scam.

Mr T is being supported in his complaint by a representative – but for ease, I'll refer to Mr T throughout this decision.

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 T's loss.

I should also point out that whilst being mindful of previous decisions made by the Financial Ombudsman, I review each case on its own merits.

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 T authorised the disputed card payments he made to a legitimate crypto exchange (which I'll refer to as 'S'). The funds were subsequently transferred on to the scammers from Mr T's crypto wallet. The payments were as follows:

| Date | Payment |
|-------------------|---|
| 10/9/2022 | £529.32 |
| 11/9/2022 | £105.86 |
| 11/9/2022 | £1,270.37 (returned by 'S' on 12/9/2022) |
| 12/9/2022 | £635.18 |
| 13/9/2022 | £1,270.37 |
| 13/9/2022 | £1,482.09 |
| Total loss | £4,022.82 |

- The payments were requested by Mr T 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 T 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 particular transaction. For example, if it was particularly unusual or suspicious.
- But I must also 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 account and questioning transactions to confirm they're legitimate.
- I've first considered that these payments were made to a crypto provider ('S') and I'm aware that scams involving crypto are becoming increasingly prevalent and well known to banks. But, at the time these payments were made, I think it was reasonable for Monzo to consider a range of factors when deciding whether to make further enquiries of its customers about a particular payment.
- I appreciate that Mr T has lost £4,022.82 which is a significant amount of money. But this amount wasn't paid in one large transaction. It was spread over separate smaller increments which, in my judgement, wouldn't have appeared particularly suspicious to Monzo. I'll explain why.
- From looking at Mr T's bank statements in the 12 months prior to the scam, I can see that he regularly made payments of between £100 and £300. And so, I don't think the first two payments for £529.32 and £105.86 would've appeared particularly out of character.
- I accept that the transactions over £1,000 were larger than previous payments made from Mr T's account. But it isn't unusual for customers to make larger payments from time to time, during usual account activity.
- And by the time of these larger payments, 'S' was an existing payee with no concerns having been expressed by Mr T about the payments previously made to 'S'. This, I believe, would've made the larger payments appear in line with Mr T's previous account activity.
- All payments were also made to an account in Mr T's own name with a legitimate company ('S'). And I'm also mindful that payments involving the purchase of crypto can be part of a legitimate investment.
- The payments to 'S' were relatively spread out, having been made over a period of four days. And they didn't sequentially increase in value. This isn't usually conducive with the hallmarks of a scam and would, in my opinion, again have made the payments appear to Monzo more like normal account activity.
- So, having considered the payments Mr T made to 'S', I'm not persuaded, on balance, there was anything unusual or suspicious at the time 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 T, 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 T to accept or reject my decision **before 15 November 2024**.

Anna Jackson
Ombudsman