

The complaint

Mr K is complaining that Monzo Bank Ltd (Monzo) didn't do enough to prevent him from making payments to an investment scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr K was contacted by someone requesting he open an investment account with a firm I will refer to as "X". He was provided with access to a trading platform and made deposits from his account with Monzo and another banking provider (who I will refer to as "Bank N"). He was able to see his profits growing and said he was able to make withdrawals. He was also added to a messaging group with others where he received regular updates. Mr K has said he was pressured to add more funds and was also told to send funds using another broker (who I will refer to as "F").

Mr K has told us he lost around £65,000 towards the investment from payments he made between November 2023 and June 2024, which he now believes to have been a scam.

Mr K raised a complaint with Monzo. Monzo didn't respond to Mr K's complaint so, he brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. They said in summary:

- they weren't persuaded that Mr K was a victim of a scam;
- they didn't think that the companies Mr K had invested with were fraudulent and that they were registered overseas;
- Mr K had received substantial returns on his investment to both his accounts with Monzo and Bank N;
- Mr K continued making payments to X from Monzo after highlighting to Bank N he was a victim to a scam;
- they also highlighted that Mr K hadn't sent evidence that he lost money due to a scam - he hadn't provided statements from his account with X or F, so it wasn't clear that he had suffered a loss due to a scam;
- they also didn't think Monzo needed to intervene on the payments based on Mr K's previous account activity.

Mr K didn't agree with the Investigator. In summary, he explained:

- that he was struggling with significant mental health issues at the time of the scam and Monzo should have taken extra precautions to investigate the transactions being made on his account;
- Monzo failed to make reasonable adjustments for him under the Equality Act 2010;
- he also explained that the scammer had deleted messages of his conversations to prevent him from keeping records;
- he acknowledged that he had been able to make withdrawals, but these were part of

- the scammer's strategy to build trust;
- he thought Monzo should have intervened directly, and this would have prevented the payments he made.

Mr K'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.

Having done so, I'm not upholding Mr K's complaint. I'll explain why.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I have not mentioned, it isn't because I have ignored it. I haven't. I'm satisfied that I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Mr K has mentioned the Lending Standards Board's Contingent Reimbursement Model (CRM) code, which is a voluntary code designed to protect customers from Authorised Push Payment Scams. But the CRM code doesn't apply to payments which were made to another account held by the customer or debit card transactions, which was the case here. So, I can't consider Mr K's complaint with this in mind.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Monzo is expected to process authorised payment instructions without undue delay. But it also has long-standing obligations to help protect customers from financial harm from fraud and scams.

Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Monzo is responsible for the loss Mr K claims to have suffered if, indeed, the disputed payments had been lost to a scam.

Mr K believes X was operating as a scam as opposed to offering a high-risk investment opportunity. But from what I've seen, I'm not persuaded that it was. X's website highlighted investments are complex and that there was a high risk of losing money. I can see that X is incorporated in an overseas jurisdiction and is also regulated in that jurisdiction. X was also authorised by the Financial Conduct Authority to carry out regulated business in the UK when Mr K initially started to make the payments. Generally, firms set up with the intention of scamming consumers are highly unlikely to submit themselves to any sort of regulatory oversight. This all suggests that the company Mr K was dealing with was a genuine firm as opposed to a scam company.

Mr K has raised concerns that he was dealing with a cloned company but the information he has supplied us doesn't suggest he was investing with the cloned firm. His payments seem to have been paid to the genuine firm, and he hasn't supplied any evidence to suggest that wasn't the case. Mr K has also made payments to F but the information available when the payments were made wouldn't suggest this company was a scam company, and it was also regulated overseas.

It's also important to note that Mr K has received substantial returns whilst dealing with X to both his accounts with Monzo and Bank N. This is not something we would usually expect to

see in a scam scenario. Often scammers may provide some small returns to encourage investments but having looked through Mr K's statements that wasn't the case, again confirming that Mr K wasn't dealing with a scam company.

Mr K has also not provided sufficient evidence to show the payments he made from Monzo to X were subsequently lost to a scam, so whether X or F were operating as a scam doesn't change the outcome of this complaint. Mr K has provided testimony about how he became involved in the investment and why he thought it was a scam, but we've not been provided with evidence to show how he was caught up in a scam. Most of the messages he has sent us are generic. They seem to be providing trading updates and don't evidence that he has lost money to a scam. Mr K has not provided details on the platform he was trading on. We've also not been provided with any statement data to show what happened to the funds after they were sent to X or F, or that they were subsequently sent to a scammer. So, I can't know for sure from the information we have been sent that his funds were not returned to him or that they were lost to a scam from the information he has sent us.

Mr K advises that some of his messages were deleted by the scammer to prevent him from keeping records. And although he has sent us some messages of his contact with the people he was dealing with, they don't go into much detail or provide the information we need to evidence his losses. Overall, we only have his testimony that his payments were subsequently lost. In such circumstances I wouldn't be able to tell Monzo to refund Mr K.

I do need to see sufficient evidence to show that Mr K has suffered a loss due to a scam before I can go on to consider if Monzo should have intervened in any of the payments he says he made. And as explained above I don't think that I have enough evidence of this here.

Mr K has also advised he was vulnerable at the time these payments were made and has provided information to support this. He has also complained that Monzo has failed to make reasonable adjustments for him under the Equality Act 2010 and that his account activity should have prompted it to intervene due to erratic financial behaviour and health vulnerabilities. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr K wants a decision that Monzo has breached the Equality Act 2010, then he'd need to go to court.

The Investigator reached out to Monzo to highlight the points Mr K has raised in relation to his health and vulnerabilities, but Monzo advised it wasn't aware of these circumstances until more recently when it received contact from a third-party representative who had previously been acting on his behalf in relation to this complaint. There are measures a business can usually put in place, agreed by both parties, when a customer highlights they are vulnerable or need reasonable adjustments to be made. But I can't see any evidence to suggest that Mr K has asked for any measures to be put in place or for any reasonable adjustments to be made. While businesses do have an obligation to look out for any signs of vulnerability, Monzo didn't interact with Mr K when he made these payments so I don't think his vulnerabilities or health condition would have been apparent to it. So, in the circumstances I'm not persuaded it treated him unfairly at the time the transactions were made.

I'm sorry to disappoint Mr K, but I think it's reasonable for him to provide sufficient evidence to support his version of events about the losses he says he suffered. And in all the circumstances here, I can't reasonably conclude that Mr K has suffered a loss to a scam which Monzo could have prevented.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 December 2025.

Aleya Khanom
Ombudsman