

The complaint

Mr F is complaining that Monzo Bank Ltd didn't do enough to prevent him from making payments to a cryptocurrency investment scam.

What happened

In June 2024 Mr F became involved in a cryptocurrency investment scheme after seeing it advertised on social media.

Mr F says he was initially able to withdraw funds from the scheme, and so he chose to invest more funds. From his Monzo account he made around 49 payments to various cryptocurrency exchanges, by debit card and by faster payment, which totalled over £22,000. Mr F says this was then invested in the scheme, and subsequently lost.

Mr F realised he'd lost what he'd invested, and around a week after the final payment from Monzo he contacted it to report what had happened. Monzo attempted to recover some of the funds Mr F had sent to the cryptocurrency exchanges by faster payment, but they were unsuccessful.

Mr F complained to Monzo, and then to the Financial Ombudsman. He thought that Monzo ought to have intervened to prevent him from making the payments.

Our Investigator looked into Mr F's complaint, but she didn't uphold it. She said that from the evidence she'd seen, she couldn't safely conclude Mr F had suffered a loss to a scam.

Mr F didn't agree. He explained that the chats about the scheme had been deleted from the platform they'd taken place on. And he had been blocked from accessing his accounts with the cryptocurrency exchanges, so he couldn't retrieve details of the transactions.

Mr F'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.

I'm sorry to disappoint Mr F but having done so, I'm not upholding his complaint – for much the same reasons as the Investigator.

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 F claims to have suffered if, indeed, he has suffered a loss to a scam.

Initially, I would say that although Mr F says the scheme was a scam, it's not immediately evident to me that it was a scam, as opposed to being an extremely high-risk investment in cryptocurrency. But ultimately, I don't think I need to make a finding on this point. Because, as the Investigator's explained, Mr F hasn't been able to adequately demonstrate that he has suffered a loss here.

I can see that Mr F has made a number of payments from Monzo to various cryptocurrency exchanges, but he's not been able to supply any evidence from the cryptocurrency exchanges by way of, for example, a transaction history, to show what then happened to the funds that were sent to his cryptocurrency accounts, or that they were subsequently invested in this scheme and their value was lost.

Mr F has given us some generic evidence about the scheme which shows its social media presence, but he has been able to supply only limited evidence of his own involvement in the scheme. He has supplied a screenshot which appears to show that at some point he has sent tokens between wallets, but I don't think this is enough to demonstrate that he has suffered the loss he's described – and I'm also bearing in mind that he's told us that he was initially able to withdraw from the scheme.

I understand that Mr F has explained why he is unable to provide the evidence we've requested and I have some sympathy for him. But I do need to see sufficient evidence to show that he 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 to the scam. And I don't think that I have enough evidence of this here.

For completeness, I've considered if Monzo could have done anything to recover Mr F's funds once he reported what had happened. But it's difficult to see how recovery would have ever been possible here. The faster payments were apparently made to accounts with the cryptocurrency exchanges which were in Mr F's own name, so although Monzo did attempt to recover some of these payments it's unsurprising that this was unsuccessful. And I don't think there would have been any reasonable prospect of a chargeback claim succeeding on the debit card payments, as the merchant (in this case the cryptocurrency exchanges) would be able to demonstrate that it had provided the cryptocurrency that Mr F had purchased with his debit card.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 4 June 2025.

Helen Sutcliffe
Ombudsman