

The complaint

Mrs B complains about the actions of Monzo Bank Ltd when she lost money to a scam.

Mrs B is being represented by a claims management company but for ease of reading I'll only refer to Mrs B.

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.

In early 2020 Mrs B came across an investment advert from a merchant offering the opportunity to invest in crypto. Mrs B started making debit card payments to genuine crypto exchanges from her Monzo account. The payments would then be sent to the merchant. In total Mrs B says she sent around £18,000 to the merchant. Mrs B realised she had been scammed when she was unable to withdraw her profits. She made a claim to Monzo for her money back in June 2024. But Monzo said it wouldn't be offering her a refund as it hadn't done anything wrong. Unhappy with that response Mrs B brought her complaint to this service.

Our Investigator didn't think the complaint should be upheld. She said the payments Mrs B made were sufficiently unusual for Monzo to have done more and intervened. And there were no avenues for Monzo to try and recover Mrs B lost funds here.

Mrs B disagreed and asked for an Ombudsman's review. She said the payments were unusual enough for Monzo to stop and ask questions. And if it had it would've uncovered that this was a well-known scam.

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've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mrs B has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mrs B authorised the scam payments totalling around £18,000. I accept that these were authorised payments even though Mrs B was the victim of a scam. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Mrs B is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Monzo didn't stop any of the payments Mrs B made here. So, I need to consider whether Monzo should've found the payments she made towards this scam unusual and suspicious. To do so, I've considered the previous account activity on Mrs B's account. The account was opened to facilitate the debit card payments for the scam. So, there was very little previous account activity for Monzo to compare the payments to here. The payments didn't start off very small and quickly increase in either the amount or the velocity. They were also spread out from 14 November 2021 to 31 May 2022. I don't think Monzo would've have found the amounts Mrs B was sending and the pattern of spending to have been sufficiently unusual and suspicious at the time the payments were made. And as time passed the payments became normal account activity given that they were made over six months and were similar in size to genuine payments that Mrs B was making at the time.

There was one slightly larger payment of £4,092 on 06 April 2022. But as I've already mentioned, by that point the payments to the crypto exchanges had established a pattern of spending on the account where that payment wouldn't have sufficiently stood out to Monzo as suspicious. And because I don't think the payments should've been considered reasonably suspicious by Monzo, I can't say it treated Mrs B unfairly by not stopping the payments and asking her further questions here.

So, after considering the payments, I agree with our Investigator that Monzo didn't treat Mrs B unreasonably here.

Recovery

As Mrs B made all the payments via debit card the chargeback process would be the only way for her to recover her funds. But Mrs B has confirmed the money was sent to genuine crypto exchanges who subsequently provided the service she had paid for – the transfer of those funds to crypto. She was also outside of the timeframe to raise a chargeback as she didn't raise a claim with Monzo until more than 120 days after the payments. So, Monzo didn't treat her unfairly by not raising and pursuing a chargeback here.

As a result of the above, I'm not going to ask Monzo to do anything more here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 13 August 2025.

Mark Dobson
Ombudsman

