

## The complaint

Mrs K complains that Monzo Bank Ltd (“Monzo”) won’t reimburse her the money she lost when she fell victim to an investment scam.

Mrs K is represented by a third party.

## What happened

In late 2021 Mrs K was introduced to an investment (I will refer to as H) via her partner – whose brother was one of the UK’s leaders in the investment company. She’d been invested in cryptocurrency for a while and felt this was a safe opportunity. But it transpires her partner’s brother was also a victim of the scam. She realised this was a scam when withdrawals were blocked from the website.

As a result of the scam Mrs K made the following payments:

Date	Payee	Amount
5/11/21	Card payment to Cryptocurrency C	£1,797.11
16/11/21	Card payment to Cryptocurrency B	£1,960.57
7/4/22	Card payment to Cryptocurrency C	£3,065.00

Our investigator didn’t uphold the complaint. She didn’t think any of the payments looked suspicious such that Monzo ought to have made additional checks before processing any of them.

Mrs K’s representative has asked for the matter to be referred to a decision. It said the payments were to cryptocurrency providers and so ought to have been treated as high-risk payments. It raised questions over the numerous legitimate payments Mrs K made to cryptocurrency prior to and during and after the scam and asked whether the bank intervened on any of those. It felt in the absence of such measures, there is no reasonable basis to reject the complaint.

As the complaint could not be resolved informally, it has been passed to me for 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.

When considering what is fair and reasonable, I’m also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Monzo ought to have been on the look-out for the

possibility of fraud and made additional checks before processing payments in some circumstances.

Buying cryptocurrency is a legitimate activity and the payments were made to genuine cryptocurrency exchanges. The payments were also to an account in Mrs K's own name and the loss happened from Mrs K's cryptocurrency account. That said, I am aware that scams involving cryptocurrency had become increasingly prevalent and well known to banks and these payments were made as part of a scam.

But at the time these payments were made, I think it was reasonable for Monzo to take into account a range of factors when deciding whether to make further enquiries of its customer about a particular payment. I am also mindful that banks can't reasonably be involved in every transaction. There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. It's not unusual for consumers to make higher payments from time to time.

In this case the pattern of payments wasn't consistent with fraud and their values (whilst not insignificant to Mrs K) did not in my view indicate heightened risk of financial harm. So, in the overall circumstances, I don't think Monzo needed to do anymore before it processed these payments.

Mrs K's representative seems to suggest if Monzo didn't intervene of any of the legitimate payments Mrs K made to cryptocurrency either, then there is no fair basis to reject this complaint. But even if it hadn't intervened, I don't think it follows that the complaint should be upheld. The genuine cryptocurrency transactions display similar patterns and values to those reported as being part of this scam. I think this simply reinforces that fact that the ones that are subject of this complaint - don't indicate a pattern consistent with fraud or values indicative of heightened risk of financial harm.

I've also thought about whether Monzo could have done more to help Mrs K to recover the funds once it was made aware of the scam. The payments were made by card to cryptocurrency providers. Mrs K sent that cryptocurrency to the fraudsters. So, Monzo would not have been able to recover the funds.

In addition, I don't consider that a chargeback would have had any prospect of success given there's no dispute that M and S provided cryptocurrency to Mrs K, which she subsequently sent to the fraudsters.

I realise my decision will be a significant disappointment to Mrs K. While I'm very sorry about Mrs K's loss, I don't think it was caused by any failing on Monzo's part that would lead me to uphold this complaint.

### **My final decision**

For the reasons given above, 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 K to accept or reject my decision before 8 May 2025.

Kathryn Milne  
**Ombudsman**