

The complaint

Mr W complains that Monzo Bank Ltd won't refund him the money he lost after he fell victim to an Authorised Push Payment ("APP") scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around February 2024, Mr W was searching for jobs online when he came across one that interested him. He registered an interest, and was then contacted by somebody who told him the role would take around 20-40 mins a day and involved creating data for merchants, for which he could earn £3-4k per day.

Believing everything to be genuine Mr W proceeded, but unknown to him at the time, he had been contacted by fraudsters. The fraudsters then persuaded Mr W to pay his own money in order to proceed with the work.

Mr W made payments to accounts he set up with third-party cryptocurrency platforms. His payments were then converted into cryptocurrency and subsequently transferred into the control of the fraudsters. He used his Monzo account to make several payments, to two different cryptocurrency platforms, totalling £731.04. Mr W's statements show that he did receive some money back from the cryptocurrency platforms, but he believes he is still at a loss of £517.89.

Mr W realised he'd been scammed when he was asked to make a payment of £1,000 to make a withdrawal. He raised the matter with Monzo, but it didn't uphold his complaint. In summary, it said that the money was lost from Mr W's cryptocurrency accounts, rather than from his Monzo accounts. Monzo also didn't think there would have been an opportunity for it to recover the money Mr W had lost. Monzo did recognise it could have resolved Mr W's dispute sooner, and in recognition of this awarded £25 compensation.

Unhappy with Monzo's response, Mr W brought his complaint to this service. One of our Investigator's looked into things, but didn't think the complaint should be upheld. In summary, he didn't think Monzo missed an opportunity to identify that the payments were being made in relation to a scam. He also agreed that Monzo hadn't missed an opportunity to recover the money.

Mr W didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for a final 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 very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied 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.

I'm sorry to hear of what's happened to Mr W, and I can understand entirely why he feels so strongly that this money should be returned to him. But having thought very carefully about Monzo's actions, I think it did act fairly and reasonably in allowing the payments to leave his account. I'll explain why.

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.

This means that Monzo should be on the lookout for unusual and out of character situations which can indicate that a transaction could involve fraud or be the result of a scam. So, I've also considered whether Monzo should have identified that Mr W was potentially at risk of falling victim to fraud as a result of the payments, or otherwise done more to protect him.

Monzo did not identify the payments Mr W made as being out of character or suspicious at the time. When considering what payments should be considered significantly out of character, it's often a finely balanced matter – and firms have a difficult balance to strike between identifying transactions where there are indications of higher fraud risks, and allowing customers to utilise their accounts as they want to with minimal, unnecessary disruptions.

Having reviewed Mr W's account activity in the months leading up to the scam, I don't consider the payments he made, would have appeared as particularly unusual or suspicious when compared to how the account typically ran. There are other transactions for not dissimilar amounts during this time. I'm not persuaded Monzo ought to have found any of the payments suspicious, such that it ought to have made enquiries with Mr W before processing them. With the benefit of hindsight, we now know that the payments Mr W made were going to be lost to fraud. But when Mr W sent the money, this wouldn't have been obvious to Monzo.

I've also considered if Monzo could have done more to help Mr W recover the funds when he reported the scam. But as the funds were subsequently moved on from accounts in Mr W's own name to the fraudsters, by way of cryptocurrency, they didn't remain in the account they were sent to directly, meaning Monzo unfortunately couldn't have recovered the loss.

I'm mindful some of the payments Mr W sent were made using his card. It's possible to dispute a debit card payment through a process called 'chargeback', which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. However, I don't consider Monzo ought to have attempted a chargeback claim here, as Mr W made payments to get cryptocurrency, and he seems to have received this before he forwarded it on to the fraudster. He therefore received the service paid for and there wouldn't have been a realistic prospect of success with a chargeback claim.

Mr W has been brave enough to tell us something of his background. Which I imagine was hard to do, I thank him for this. I don't mean to in any way diminish the difficult personal circumstances Mr W has been faced with, but I can't see that the bank would have been aware of any vulnerabilities he had prior to the scam, so there was no reason for it to think he might be at higher risk of financial harm from fraud, such that it could have put other reasonable adjustments in place to protect Mr W.

Finally, I note that Monzo offered £25 as compensation to recognise that the level of service it provided fell below its standards. It acknowledges that it didn't respond in a timely manner when considering Mr W's dispute.

When considering Monzo's offer here, I am mindful that the majority of the distress and inconvenience caused here was as a result of the scam Mr W fell victim to. But having a delayed response would have undoubtedly caused Mr W unnecessary inconvenience. Overall, I'm glad to see that Monzo has proactively recognised this when it reviewed Mr W's formal complaint, and I would have been inclined to award a similar amount as recognition for its failings here. So, in the circumstances, I think what it has awarded is fair and reasonable and I won't be asking it to pay any more.

I have a great deal of sympathy with Mr W being the victim of what was clearly a cruel scam that has had a significant impact on him. But it would only be fair for me to direct Monzo to refund his loss if I thought it was responsible for the failure that caused it. And for the reasons I've explained, I'm not persuaded that it would've been able to prevent Mr W's loss.

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 Mr W to accept or reject my decision before 24 July 2025.

Stephen Wise
Ombudsman