

The complaint

Mr L complains Monzo Bank Ltd ("Monzo") didn't do enough to protect him when he fell victim to a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I'll only summarise the details here.

Mr L said he saw a cryptocurrency investment opportunity advertised on social media. He said he responded to the advert and began communicating with someone we now know to be a scammer. Mr L said he began with a small investment into a trading platform which grew to £20,000. Mr L said he didn't wish to invest further and requested to withdraw his funds. He explained he was asked for further payments to be able to withdraw his funds which he paid and when the scammer stopped communicating with him, he realised he'd been scammed.

Below are the payments Mr L made from his Monzo account towards the scam:

Date	Amount
16 May 2024	£171.48
13 June 2024	£1,700.00
28 June 2024	£1,300.00
2 July 2024	£1,105.00

Mr L complained to Monzo, and it offered £100 compensation for a service issue which I've seen it has paid Mr L. Monzo hasn't offered to refund the funds he said he lost to the scam. Unhappy with Monzo's response, Mr L raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn't uphold it, they didn't think the payments suggested Mr L was at risk of financial harm from fraud and so it was reasonable for Monzo to process them.

As an agreement could not 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 sorry that Mr L has been the victim of a scam. I realise he's lost a significant sum of money, and I don't underestimate the impact this has had on him. And so, I'd like to reassure him that I've read and considered everything he's said in support of his complaint. But I'll focus 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. I know this will come

as a disappointment to Mr L but having done so, I won't be upholding his complaint. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr L authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Monzo should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which Monzo isn't a signatory of but has committed to act within the spirit of the code. It doesn't apply here as the payments were to purchase cryptocurrency and such payments aren't covered by the code.

I've thought about whether Monzo acted fairly and reasonably in its dealings with Mr L when he made the payments, or whether it should have done more than it did. In doing so I've considered what Monzo knew about the payments at the time it received Mr L's payment instructions and what action, if any, Monzo took prior to processing the payments.

I don't think the payments were of an unusually excessive value that it ought to have caused Monzo to be concerned that Mr L was potentially falling victim to a scam. The payments were sufficiently spaced out over several weeks and although the payments were going to purchase cryptocurrency, which carries a known fraud risk, that isn't enough for me to say that Monzo ought to have been suspicious such that it should have intervened. So, I don't think the payments were suspicious in nature to suggest to Monzo that Mr L was at a heightened risk of financial harm from fraud. I therefore don't think it was unreasonable for Monzo to process the payments in-line with his payment instructions.

Recovery

I've thought about whether there's anything else Monzo could have done to help Mr L — including if it took the steps it should have once it was aware that the payments were the result of fraud.

The payments were to purchase cryptocurrency and in that case the money would have been exchanged into cryptocurrency, and it seems that Mr L got the cryptocurrency he paid for and in these cases, there's no real prospect of successful recovery of funds.

I'm sorry to disappoint Mr L further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Monzo needs to refund his money or pay any more compensation. I realise this means Mr L is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 September 2025.

Charlotte Mulvihill
Ombudsman