

## The complaint

Mr S complains that Monzo Bank Ltd (Monzo) didn't do enough to protect him from financial harm caused by an investment scam.

## 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.

Mr S saw an online advertisement for an investment company. He contacted the company and spoke to an individual who I will refer to as the "scammer".

The scammer said that they would oversee Mr S's trading account and that he would invest on Mr S' behalf, buying and selling different commodities and providing Mr S with regular updates.

Mr S was happy with the initial profit he made and was persuaded to invest more – in total he says he lost £107,975.32 to the scam by transferring funds from his bank account to a genuine cryptocurrency platform and onwards to an online wallet in the scammer's control. This happened over a roughly six-week period. When Mr S tried to withdraw his funds, he was unable to do so, and he said the scammer stopped communicating with him.

A list of transactions is below:

<b>Payment Number</b>	<b>Date</b>	<b>Beneficiary / Merchant</b>	<b>Amount</b>
1	14 December 2023	L Ltd	£250.00
2	19 December 2023	Cryptocurrency Platform	£10.00
3	19 December 2023	Cryptocurrency Platform	£990.00
	21 December 2023	Cryptocurrency Platform	£74.68 (a refund)
4	21 December 2023	Cryptocurrency Platform	£1,800.00
5	21 December 2023	Cryptocurrency Platform	£1,450.00
6	4 January 2024	Cryptocurrency Platform	£10,000.00

7	5 January 2024	Cryptocurrency Platform	£6,000.00
8	8 January 2024	Cryptocurrency Platform	£9,000.00
9	9 January 2024	Cryptocurrency Platform	£5,000.00
10	10 January 2024	Cryptocurrency Platform	£6,000.00
11	11 January 2024	Cryptocurrency Platform	£7,000.00
12	12 January 2024	Cryptocurrency Platform	£6,200.00
13	16 January 2024	Cryptocurrency Platform	£10,000.00
14	17 January 2024	Cryptocurrency Platform	£10,000.00
15	18 January 2024	Cryptocurrency Platform	£400.00
16	18 January 2024	Cryptocurrency Platform	£200.00
17	29 January 2024	Cryptocurrency Platform	£4,000.00
18	30 January 2024	Cryptocurrency Platform	£10,000.00
19	31 January 2024	Cryptocurrency Platform	£20,000.00
20	1 March 2024	L Ltd	-£250.00 (a refund)
		Total loss	£107,975.32

Mr S believes Monzo should have done more to intervene and stop the payments.

The Investigator concluded that even if Monzo had intervened further they would have been unaware of the risk Mr S was facing as Mr S didn't respond to them honestly. This was based on Mr S telling Monzo that nobody else was involved with the transaction when asked if anyone was helping him like a financial adviser, and Mr S reiterating he was making the payment into his own cryptocurrency account.

Because of this the Investigator concluded that Monzo didn't need to do anything more.

As an agreement wasn't reached, this 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.

Having carefully reviewed the information given, I agree with the investigator's findings for broadly the same reasons and have set out my thoughts briefly below.

I'm 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 focused 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'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 have kept in mind that Mr S made the payments himself, therefore the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

The first four payments were for under £2,000 and occurred over the space of a week. Payments 15 and 16 were also for relatively small amounts, £400 and £200 respectively. I'm not persuaded there is anything about these payments that ought to have looked suspicious to Monzo and so I would not have expected these payments to have triggered its fraud detection systems

However, given that the fifth payment on 21 December 2023 occurred so quickly after the fourth payment and meant that Mr S was transferring £3,250 to a cryptocurrency exchange within an hour, I think this payment warranted a tailored written warning before Mr S completed that payment. In addition, for the remaining transactions, considering the amounts involved and, where the transactions were identifiably going to a cryptocurrency platform, I think Monzo should have provided Mr S with tailored written warnings before he completed those transactions as well. But I don't think it would have made a difference.

This is because I can see that on 9 January 2024 Mr S did receive a written warning from Monzo following their telephone intervention on 9 January 2024 which said "if you decide to invest in crypto then you should be prepared to lose all your money" and "scammers have been increasingly active in targeting potential investors. Remember – if something sounds too good to be true then it probably is". The warning also finishes alerting Mr C that if he "intentionally failed to provide [Monzo] with information [it] requested, or misrepresented information that results in [him] sending a payment which[he] later report to use as being fraudulent, [Monzo] won't be able to reimburse any money lost. We ask questions and request information to keep you safe from fraudsters . . . . ". Despite this warning Mr S continued with the payment.

Mr S was also willing to mislead Monzo when they spoke to him on 9 January 2024, and while I accept that Mr S representative says Mr S was under the psychological manipulation of the scammer, this further persuades me that written warnings by Monzo wouldn't have been enough to prevent Mr S's loss.

I've gone on to consider if there were any further opportunities to intervene and think the £10,000 payment on 4 January 2024 (Payment 6) warrants further intervention from Monzo. I say this because of the high value of the transaction and the fact he was paying a high-risk cryptocurrency merchant. For these reasons I would have expected Monzo to have questioned Mr S about the payment.

To determine how Mr S would have responded to probing questions about the payment, I've considered how he responded when Monzo asked him further questions about Payment 8. Considering this and the wider context of the scam, I'm not satisfied that an earlier intervention would have made a difference here and have prevented Mr S's loss. I say this because:

- During the call on 9 January 2024, Monzo said that sometimes scammers pose as investment advisers and asked Mr S if he has anyone helping him. Despite this warning, he still didn't inform Monzo that he was being guided and he said that he was investing alone and nobody else was involved in the transaction.
- Mr S said he understood it was high risk and specified the type of cryptocurrency he wanted to purchase and said he had an account with a cryptocurrency platform. He explained he was buying cryptocurrency because it had been in the news, and he has the funds to invest. He said that he wanted to see how the cryptocurrency went and may invest more. I think that indicates Mr S' willingness and enthusiasm to invest in cryptocurrency.
- Mr S also provided Monzo a screenshot of his account details for the cryptocurrency platform. and I think it would have been fair for Monzo to conclude that he was transferring funds to an account that he had sole control over.
- Then messages between Mr S and the scammer from 12 January 2024, three days after Monzo's actual intervention occurred, show he was still actively engaged with and trusted the scammer – and was willing to follow his instructions. I'm therefore satisfied, on balance, that he would have been willing to have followed the scammer's instructions on 4 January 2024, especially considering his answers to Monzo's questions on 9 January 2024 (as mentioned above).

The above factors together suggest that had Monzo intervened before Payment 6, it is likely Mr S would have frustrated this intervention – thereby alleviating any concerns Monzo had.

I've considered whether there were any further opportunities to intervene and given the pattern of payments, I think that Monzo should have contacted Mr S again on 31 January 2024 when he transferred £20,000 to the cryptocurrency platform. This amount followed a £10,000 transfer the previous day and is significantly more than he had previously transferred in a day to the scammer. These transfers total £30,000 in two days to an identifiable cryptocurrency platform.

Mr S's representative has acknowledged that Mr S provided misleading information during the intervention call on 9 January 2024 but says he was under psychological manipulation from the scammers. I'm persuaded that this same manipulation was still likely a factor on 31 January 2024.

I've also carefully reviewed the messages on 29 January 2024, when Mr S made the £20,000 payment. In this chat Mr S says he will "hopefully have funds available [on the cryptocurrency platform] on Thursday [1 February 2024]". He goes on to say "funds should be in [his] Monzo [account] tomorrow but may take 3 days to move as I am restricted to £10,000 per day". This shows me that Mr S was still actively engaging with and trusting of

the scammer and still willing to transfer funds at roughly the time I think the second telephone intervention should have occurred. I've seen nothing to show that Mr S was questioning the legitimacy of the scam at the time I think the second human intervention should have occurred.

Mr S reported the scam to Monzo on 26 February 2024, and his representative said he only questioned the legitimacy of the scam *after* he had made the payments and was asked to pay another "verification fee request" when he tried to withdraw his funds. Based on what Mr S' representative has said, I'm satisfied that he realised he had been scammed after he had made the payments he's complaining about.

After carefully considering all the information given there isn't enough here for me to say a second intervention from Monzo on 31 January 2024 would have made a difference and have prevented Mr S' loss.

And there isn't enough here to persuade me that Monzo should have acted contrary to Mr S' instructions and should have refused to put the payments through.

For the reasons explained, I don't think Monzo's failure to intervene represented a missed opportunity to have prevented Mr S's loss. I'm sorry to hear Mr S has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Monzo is to blame for this and so I'm not minded to tell it to do anything further to resolve this complaint,

### *Recovery*

I'm satisfied there wasn't a realistic prospect of a successful recovery because Mr S had paid an account in his own name and it appears that the funds were moved on from there.

### *Compensation*

The main cause for the upset was the scammer who persuaded Mr S to part with his funds. I haven't found any errors or delays to Monzo's investigation, so I don't think he is entitled to any compensation.

### **Conclusion**

Taking all the above points together, I do not find that Monzo has done anything wrong in the circumstances of this complaint which resulted in Mr S loss. Therefore, I will not be directing Monzo to do anything further.

### **My final decision**

For the reasons I've outlined 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 Mr S to accept or reject my decision before 10 October 2025.

Sureeni Weerasinghe  
**Ombudsman**