

The complaint

Mr S complains that Monzo Bank Ltd didn't do enough to prevent the loss he suffered when he fell victim to a scam.

Mr S has used a representative to bring his complaint. But for ease of reading, I'll mostly refer to Mr S himself where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2023, Mr S says he was the victim of a scam. He received a text message that he thought was a 'wrong number' from a Miss A. Mr S engaged in conversation with Miss A and, over time, he believed that a romantic relationship developed. Miss A explained that she was an investor in cryptocurrency and she offered to help Mr S do the same.

Ultimately Mr S was persuaded to make a series of payments from his Monzo account. I understand these were all to purchase cryptocurrency which was then lost to the scam. The chat between Mr S and Miss A indicates that he bought cryptocurrency through legitimate exchanges before transferring it onto the 'trading platforms' that Miss A recommended. Mr S' letter of complaint recorded that around £18,000 of payments were made towards the scam.

Mr S says that in exchange for his payments he received cryptocurrency which was then lost to the scammer. Mr S complained to Monzo. He didn't think they'd done enough to protect him against losing money to a scam and is seeking reimbursement of his losses. Monzo didn't offer any redress and the matter was referred to our service.

One of our Investigators didn't recommend that the complaint should be upheld. In summary she didn't think they'd failed in such a way as to have caused the loss. Mr S disagreed and asked for an Ombudsman to review his complaint.

Initially I noted that some of the payments Mr S had raised appeared to be in relation to an advance fee loan scam (albeit in linked circumstances to the romance / investment scam). I asked our Investigator to clarify this with Mr S who confirmed the loan scam was relatively low value and he didn't want to pursue that matter. But he still thought Monzo ought to have done more in relation to the romance / investment scam. Accordingly, I've considered his complaint on that basis and due to his clarification, I understand the payments still in dispute to be:

Date	Type of Payment	Merchant / Beneficiary	Amount
9 August 2023	Card Payment	M	£1,600
9 August 2023	Card Payment	A	£13.01
21 August 2023	Faster Payment	N	£1
21 August 2023	Faster Payment	N	£15,999
4 October 2023	Card Payment	M2	£50

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.

Monzo should do all they reasonably can to try to protect their customers from financial harm from fraud and scams. But there of course needs to be a balance between stopping and checking payment instructions and facilitating their customers having unrestricted access to their accounts. With these factors in mind, most of the payments weren't sufficiently unusual or suspicious such that I'd have expected more from Monzo. The only payment that Mr S has complained about which I think ought to have given Monzo cause to be concerned was the payment for £15,999. This payment was larger than those that had previously commonly been made from the account, and it seems to have been to a newly set up beneficiary. It took place in August 2023, and that month also marked a significant uptick in the value of the payments being made from the account compared to the previous activity. This was a departure from how it had been used previously. So, taking all these factors together, I think Monzo ought to have asked some questions (and have provided appropriate warnings) before processing the £15,999 payment.

However, even if Monzo had done so, I'm not persuaded it would've made a difference. That is, I don't think it would have resulted in Mr S discovering the scam or being prevented from making further payments. Another Electronic Money Institute (EMI), R, with whom Mr S held an account and from where he also lost money to the same scam asked questions and provided detailed warnings about potential cryptocurrency scams. Mr S told R that he was doing all his own research and was able to make withdrawals from his crypto wallets.

I've also taken account of the fact that Mr S has submitted over 600 full pages of the message history between him and Miss A. Many of these include them planning their future life together. There is also a lot of discussions about Mr S borrowing money from friends and family to continue his 'investments'. There is also talk of using different banks who don't create friction for the payments he was attempting. One example of this was on 21 August 2023 when Mr S said:

"[R] is not happy with the details it looks... It keeps stopping the payment... Will try Monzo and see what happens... That's okay darling, only annoyed about the banks..."

And given Mr S has said that he and Miss A regularly video messaged each other and that he fully believed they were in a loving relationship at the time, I don't think any reasonable level of intervention that could've been expected of Monzo would've uncovered the scam at the time. I think the personal nature of their relationship and Mr S' heartfelt belief that it was genuine at the time would've prevented him being receptive to warnings. As such, I can't say that Mr S' losses were caused by Monzo not intervening in the above payment as I think they should've.

I've also thought about what Monzo did once informed that Mr S' payment had been made as the result of a scam. But Mr S says he received cryptocurrency for his payments which was then passed to the scammer, and due to this, there wouldn't have been any realistic prospect of recovery for any of his payments.

I appreciate this will be very disappointing for Mr S, and I don't doubt being the victim of a cruel scam like this must have had a significant impact on him. But as I don't think Monzo are responsible for his outstanding loss (or a part of it), despite my natural sympathy for him

as a victim of crime, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons 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 28 March 2025.

Richard Annandale
Ombudsman