DRN-5239055

The complaint

Mrs K complains that Monzo bank Ltd won't refund the money she lost after falling victim to a scam.

What happened

In August 2024, Mrs K was contacted by someone who said they could offer her a job opportunity. She was told she would need to complete daily tasks and would be paid for each task completed. Part of this 'job' was that Mrs K had to deposit her own funds into the scheme – via cryptocurrency – so that she could access the tasks. Mrs K has since told us that the person who told her about this job was someone she knew and had a prior relationship with. Unfortunately, and unknown to Mrs K, this was not a legitimate job opportunity, she was the victim of a scam.

Mrs K made a number of payments from her Monzo account and from an account she held at another bank (which I'll call R) to buy cryptocurrency to fund the scam. Ultimately, she made nine payments of between £40 and £2,000 from her Monzo account over around eight days. When Mrs K was then told she'd need to make a much larger payment, which she did not have the funds for, she realised she had been scammed.

Mrs K contacted Monzo about the scam payments, and it looked into what had happened. But Monzo did not consider that it was responsible for refunding any of Mrs K's loss as the payments had been made to a cryptocurrency account in her own name. It also said that it had intervened in a payment she tried to make for a much larger amount, but that what Mrs K had told it had not caused it any concerns that she might be at risk of financial harm.

Mrs K wasn't happy with Monzo's response, so she brought a complaint to our service. An investigator looked into Mrs K's complaint but didn't uphold it. The investigator did not consider that Monzo should be held liable for Mrs K's loss.

Mrs K disagreed with the investigator's opinion, so as no agreement could be reached this case has now 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.

Having done so, I've reached the same overall outcome as the investigator, I'll explain why.

It's not disputed that Mrs K authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mrs K is responsible for them. That remains the case even though Mrs K was the unfortunate victim of a scam.

Because of this, Mrs K is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mrs K, or whether it should have done more than it did. And bearing in mind all that I've seen, I'm satisfied that Monzo did act reasonably here based on what it knew or should have known about the payments Mrs K was making.

I appreciate that the payments Mrs K made were to a cryptocurrency account, which could perhaps be an indicator of heightened risk. But cryptocurrency exchanges are also used for many entirely legitimate transactions every day. The initial payments Mrs K made were also for less than £100 each, and by the time the outgoing payments had increased in size she had also paid funds into her Monzo account from the cryptocurrency exchange, which was by then an established payee. And even the larger two payments, for £1,400 and for £2,000, were not so large as to have been seen as significantly risky by Monzo.

In any case, Monzo did intervene when Mrs K tried to make a much larger payment – for £4,000 – and asked her for details about what the payments were for, but it appears that Mrs K was not honest with Monzo about what she was doing. She told it she was investing, had carried out checks on the investment, and was aware of the risk of scams. Monzo then provided her with a detailed warning about investment scams, including comments on job scams specifically – the actual scam Mrs K was falling victim to. Mrs K said she had received messages about jobs before but had ignored them, she did not say anything about the payments she was making being related to a job, she continued to say that she was investing.

As there was nothing Mrs K said during her conversation with Monzo that I think should have caused Monzo any concern that she might be the victim of a scam, it is difficult to say that any other intervention from Monzo would have changed the outcome here. Particularly as Mrs K does not appear to have been open with Monzo about what she was doing.

With this in mind, I don't consider that Monzo missed an opportunity to prevent Mrs K's loss.

I've also thought about whether Monzo did all it could to try to recover Mrs K's funds when she told it of the scam. But given that the payments Mrs K made were to purchase cryptocurrency, I don't consider there is anything Monzo could have done to recover those funds.

I'm sorry to disappoint Mrs K as I know that she has lost a significant amount of money. But, overall, I'm satisfied that any reasonable, proportionate intervention from Monzo would not have prevented Mrs K from making further payments to the scam. It follows that I don't think Monzo is liable for her loss and won't be asking it to refund any of her losses to her.

My final decision

I do not 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 28 August 2025.

Sophie Mitchell
Ombudsman