

The complaint

Ms C complains that Monzo Bank Ltd won't reimburse the money she's lost to a scam.

What happened

Ms C has fallen victim to an investment scam. She saw a celebrity-endorsed advertisement on social media for an investment opportunity that interested her, so she submitted an enquiry and received a call-back from an 'expert trader' ('the scammer').

The scammer instructed her to download screen-sharing technology so they could invest on her behalf.

As part of the scam, Ms C opened a new Monzo account and made the following four faster payments to what she believed was the investment platform:

Date of payment	Amount of payment
27 January 2023	£10,000
31 January 2023	£10,000
1 February 2023	£10,000
2 February 2023	£10,000

Ms C complains that Monzo didn't intervene with any of the above payments. She says that if the bank had given her any inclination that she might be falling victim to a scam, she wouldn't have gone ahead with the payments. Ms C would like Monzo to refund her financial loss and pay her some compensation for the trouble and upset she's suffered.

What did our investigator say?

Our investigator thought that Monzo ought to have intervened in the first payment Ms C made to the scam. But they said that, if it had, it wouldn't have been able to prevent her financial loss.

Ms C has asked for an ombudsman's final decision. She's argued that Monzo could've prevented her financial loss by blocking the relevant payments.

The case has now been passed to me to decide.

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.

It's common ground that Ms C 'authorised' the disputed payments. So, even though she was the victim of a scam, and she didn't intend to pay a fraudster, the payments were 'authorised' under the Payment Services Regulations. Monzo had an obligation to follow Ms C's payment instructions, and Ms C is presumed liable for her loss in the first instance. But that's not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I think that Monzo should:

- Have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering and the financing of terrorism.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

I agree with our investigator that Monzo ought reasonably to have spoken to Ms C about the first disputed payment before letting it go – due to the size and nature of the payment from a newly-opened account – but, if it had intervened with this payment, or any of the other payments Ms C lost to the scam, it's unlikely to have been able to prevent her financial loss. I'll explain why.

Prior to instructing the disputed payments from her Monzo account, Ms C attempted to make two payments to the scam from an account she held with another firm, which I'll refer to as 'Bank A'. Bank A intervened with both of those payments.

The first conversation between Ms C and Bank A took place on 23 January 2023. During that conversation Ms C advised Bank A that she was trying to buy cryptocurrency. She was told that the payment she was attempting to make was high-risk and, if she went ahead with it, she might lose her money. Ms C asked Bank A to cancel the payment and said she would *"think again"*.

The next day, Ms C attempted to make the same payment through her Monzo account. Bank A spoke to Ms C again and the payment was cancelled at Ms C's request. During the conversation:

- Ms C was told that she was unlikely to get her money back if she went ahead with the payment and she was being scammed.
- Bank A uncovered that it was likely Ms C was falling victim to a cryptocurrency investment scam and advised her accordingly. It set out most of the common features of cryptocurrency investment scams for Ms C – all of which were present in her circumstances. It also explained that genuine companies can be cloned by fraudsters, and it looked like that was the case here, then told Ms C how to check if a genuine company had been cloned. Bank A advised Ms C to cut any contact with the scammer and explained how she could protect herself in future from financial harm from fraud.
- Ms C asked Bank A to cancel the payment if it was *"dodgy"* and send her money

back to the original source because it's "*better the devil you know*". She said the scammer had been so convincing, showing her live and genuine-looking screens. She thanked Bank A for stepping in and said, "*you've opened my eyes completely*", "*I'm gobsmacked*" and "*I'm in shock*" – "*I was convinced*" but "*I suppose they're good at manipulating people*" and they're "*determined to get the money to them by whichever means they can use*" but "*I will plod on as I am*".

Following Bank A's interventions, Ms C continued to instruct payments to the scam from her Monzo account – despite the warnings and advice she'd been given, and her apparent understanding of the fraud risk.

After instructing the disputed payments, Monzo also intervened with the scam when Ms C requested a bank transfer limit increase in order to make a further payment. It spoke to Ms C on a couple of occasions. During those conversations:

- Ms C told Monzo that she was using screen-sharing technology to aid her cryptocurrency investment and it advised her several times how concerned it was about this 'red flag', and why. Monzo asked Ms C to remove the screen-sharing technology from her device/s immediately.
- Ms C assured Monzo that no-one was listening to their conversation, and she'd opened her account with it herself, without any third-party advice or guidance. She said that no-one else was involved with her cryptocurrency investment, and she had been able to withdraw small amounts back to her bank account. She was investing with a genuine company, which she had faith in.
- Monzo uncovered that Ms C was probably falling victim to a cryptocurrency investment scam and advised her accordingly. It told her that:
 - Screen-sharing technology allowed other people to take control of her device/s, as well as see her sensitive information on-screen. It would not be used to allow Ms C to watch a seminar, as she believed it had been. The only reason you'd have it is to allow someone else to look at your device/s.
 - Sometimes scammers allow small 'withdrawals' to build trust and gain further 'investment' but the problem will come down the line when trying to make a larger 'withdrawal'.

Monzo gave Ms C "*a really strong warning*" that if she wasn't being truthful with it and she was being scammed, she was unlikely to get her money back.

- Ms C told Monzo that it had put "*the fear of god*" in her and "*a seed of doubt*" in her mind, and she wanted to "*stop everything*" and transfer her money back to the original source.

After speaking to Ms C, Monzo also sent her some relevant scam warnings in writing, similar to those it had given her verbally.

Following Monzo's intervention, Ms C went on to instruct further payments to the scam from an account she held with another firm.

So, when Bank A and Monzo became suspicious that Ms C was being scammed and stopped her from making payments, she gave them both the impression that the scammer's spell had been broken, but then moved to different firms to carry on making payments.

In light of this, I don't think it's reasonable to expect Monzo to have taken any further action to protect Ms C from financial harm as part of its intervention – such as, invoking the banking protocol – as it was reasonable for it to believe that the scam risk was no longer present (although it did keep her account frozen before eventually closing it). And I'm persuaded that, even if Monzo had intervened earlier than it did, as I think it ought to have, it would not have been able to halt the scam and prevent Ms C's financial loss here. It seems she was determined to make the scam payments and would have found an alternative means of doing so, as she did indeed do following Bank A's and Monzo's interventions.

I'm really sorry to hear that Ms C has lost a lot of money to a cruel and callous scam. I have a great deal of sympathy for her, and I appreciate that she feels Monzo should've done more to protect and assist her. But I don't consider that it would be fair or reasonable to require Monzo to reimburse her in the circumstances.

Finally, I've thought about whether Monzo could've done more to recover Ms C's funds but, due to the nature of one of the disputed payments, and the long delay in raising a fraud complaint with the bank, I'm not persuaded that it could.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 9 April 2025.

Kyley Hanson
Ombudsman