

## **The complaint**

Mr R complains that Monzo Bank Ltd has not refunded money he lost to what he believes was 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 what happened here.

In 2022 Mr R came across an advert online for a business which I'll call 'F' which claimed to offer expert brokers to train customers in trading. Mr R says he carried out some checks and saw that F was on Companies House and had no obvious negative information available about it, so he decided to get involved. He was told F worked with a brokerage firm – 'A' – who managed their trading, and was introduced to an expert who would tell him how and when to invest. Mr R was added to a messaging group with other investors and was told to open wallets with cryptocurrency exchanges to facilitate his trading payments.

Between 10 and 21 June 2022 Mr R made six payments, totalling over £55,000 to his cryptocurrency wallet and on to F's trading platform. Between August and October 2022 it appears that Mr R was able to withdraw various amounts from the scheme as profits – over £7,000 – but from October 2022 onwards he was unable to access his funds. He says he was repeatedly told that he would eventually be able to access these funds, and that F was having issues, but by October 2023 Mr R believed he had been the victim of a scam and contacted Monzo to let it know.

Monzo declined to refund Mr R's loss, it said it had provided warnings regarding the payments he had made and noted that when it intervened directly in an unrelated payment Mr R made in 2023 he told it he was an experienced investor.

Unhappy with Monzo's response, Mr R brought his complaint to this service and one of our Investigators looked into things. But they felt that this was most likely a civil dispute between Mr R and F, they did not consider there was clear evidence to say that F had scammed Mr R. So, they felt Mr R was not entitled to a refund of the payments he made. Mr R remained unhappy, he maintains that F (and its parent company) was acting fraudulently and that Monzo should bear some responsibility for his loss under the CRM Code.

So, as the case could not be resolved informally, it's 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 and having thought very carefully about what has happened here, I agree with the findings set out by our investigator. I do appreciate how disappointing this will be for Mr R but, whilst I'm sorry to hear of what's happened, I don't think I can fairly hold Monzo liable for his loss.

This is because not all cases where individuals have lost sums of money are in fact fraudulent and/or a scam. So, whilst I understand that Mr R feels he has been scammed, there is a high legal threshold or burden of proof for fraud and there are a number of potential reasons (other than a scam) for the breakdown in a relationship between two parties and for a dispute to exist.

When considering what is fair and reasonable in this case, I've thought about the Contingent Reimbursement Model Code (the CRM Code) which Monzo had agreed to abide by the principles of, and which was in force at the time Mr R made these payments.

Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam. So, I've thought about whether the CRM code applies in the circumstances of this complaint, and whether Monzo therefore ought to reimburse Mr R under the provisions of the CRM Code.

The CRM Code is quite explicit that it doesn't apply to all push payments. It says:

*"DS2(2) This code does not apply to:*

*(b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier."*

Our investigator was of the opinion that Mr R's circumstances, as we currently understand them, most likely fall into this definition of a private civil dispute and I agree that this is most likely the case here. I'm not persuaded that I can safely say with any certainty, based on what I know and what the evidence shows, that F was not a legitimate business or that it set out with an intent to defraud Mr R from the outset. It seems more likely to me that this is a dispute about a failed investment.

I say this for the following reasons:

- We have no clear evidence of precisely what the agreement was between Mr R and F, so it is difficult to say with any certainty that the services agreed were not provided to Mr R.
- Mr R evidently did receive returns from his investment for a few months.
- News articles and court documents suggest that F may have ceased withdrawals in October 2022 due to significant trading losses.
- While investigations into F and A's activities are apparently ongoing there have been no clear findings reached about what part F (or A) played in the losses.
- There appears to be a possibility that F and A were perhaps defrauded by a third party they were working with.

Although F and A are in liquidation and it's clear there are concerns about some of the business practices employed by F and A, this does not prove beyond doubt that F intended to defraud Mr R when taking his payments. I would need to see convincing evidence that F was more than a failed business to be satisfied that Mr R was the victim of an APP scam.

I do appreciate that there are aspects of what has happened to Mr R that suggest that F and A may not have been acting professionally. And it is evident that there are various other individuals who have lost out in a similar way to Mr R. But the evidence currently available

does not, in my mind, provide any definitive evidence that fraud has taken place here.

So, I do not consider that I have seen any clear and persuasive evidence to show that Mr R was the victim of an APP scam. I appreciate Mr R won't agree, and I am not suggesting that there is no issue at all between Mr R and F/A, clearly there is. But this type of dispute isn't something that the CRM Code covers.

If new material information comes to light at a later date, then Mr R may be able to bring a new complaint to Monzo. But I'm satisfied, based on the available evidence to date, that I have seen and been presented with by all parties, that this is most likely a civil dispute. And Monzo is therefore not liable to refund any of Mr R's loss.

So, for the reasons I've explained above, I do not consider that the payments in dispute here are covered under the CRM Code, or that it would be fair to hold Monzo responsible for the money Mr R has lost.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 September 2025.

Sophie Mitchell  
**Ombudsman**