

The complaint

Mr S complains about the actions of Monzo Ltd when he lost money to a scam.

Mr S is being represented by a claims management company but for ease of reading I'll only refer to Mr S.

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.

In 2023 Mr S met a third-party (scammer) on a dating app. They continued the conversation and Mr S was encouraged to start investing in crypto. He opened an account at a genuine crypto exchange before sending money to his account with Monzo and forwarding those funds to the crypto exchange. That money was then sent on to the scammer. In total Mr S sent around £10,100 across eight transactions between 16 October 2023 to 11 November 2023. Mr S realised he had been scammed when he was told to pay more taxes to withdraw his funds. So, he raised a claim to Monzo, who said it wouldn't be offering him a refund. As a result, he brought his complaint to this service.

Our Investigator didn't think the complaint should be upheld. He said the payments weren't sufficiently suspicious or unusual for Monzo to have taken any further action.

Mr S disagreed and asked for an Ombudsman's review. He said the payments were unusual and suspicious and if Monzo had stopped any of them and asked some questions the scam would've been uncovered.

I was allocated the complaint and wasn't minded to uphold it. I said one of the later payments in the scam should've reasonably triggered but I didn't think Monzo would've been able to uncover the scam. I said there was evidence in the scam chats that the scammer was telling Mr S what to say if the payment was blocked. And that Mr S was happy to send smaller payments to try and avoid the payments being stopped.

Mr S didn't provide any further comments, so I've now considered the complaint below.

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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr S has been the victim of a cruel scam. I know he feels strongly about this complaint and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board

and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

I've firstly considered whether Monzo should've done more to stop all the payments Mr S made towards this scam. It is common ground that Mr S authorised the scam payments here. I accept that these were authorised payments even though Mr S was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr S is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

So, I have looked into what this means for this case and whether Monzo should have done more here to prevent the payments in dispute. I think it is arguable that Monzo could've stopped some of the later payments in the scam here. But I don't think it would've made a difference. I'll explain why.

I note that Monzo stopped a payment on 23 October 2023 because it wanted to make sure Mr S wasn't using fraudulent funds from another account. But it didn't ask any further questions as it was satisfied he wasn't moving fraudulent funds. However, I believe in the circumstances, Monzo should've gone a bit further here because the payment was going to a high-risk crypto exchange. So, I think providing a crypto investment scam warning would've been the appropriate level of intervention. I don't think the payment warranted any further intervention at that point as there was no payment history for Monzo to compare it to and Mr S told Monzo when he opened the account that he would be using it for crypto.

If Monzo had provided a crypto investment scam warning, I don't think this would've likely resonated with Mr S at the time. Mr S had decided to start investing in crypto after speaking to the scammer on a dating app and being persuaded to start sending money to 'invest' it. I've read the chat between him and the scammer. There's a part of the conversation where the scammer tells him that if he speaks to the bank then he should tell them that the money is for his business and his life. Mr S also expresses frustration that a payment was frozen while Monzo completed the internal fraud check I've mentioned above and that he should send smaller amounts so that the payments can avoid detection. I note that he was repeatedly sending screenshots to the scammer whenever he encountered any issues sending money towards this scam and asking for advice on what he should do next. This persuades me that he more likely than not would've made the scammer aware of any further intervention from Monzo which would've enabled the scammer to continue to persuade him to invest. So, I don't think a warning from Monzo in the app would've likely stopped him from making the payment. I think he had built up trust in the scammer at that point and was happy with his decision to invest.

After considering the later payments, I don't think these would've looked sufficiently suspicious or unusual to Monzo. The payments didn't increase in value or velocity after the point where I think Monzo should've reasonably provided a crypto investment scam warning.

So, I don't think I can reasonably say that Monzo treated Mr S unfairly here.

Recovery

Mr S made debit card payments to the crypto exchange, but he couldn't have raised successful chargebacks here as he received the service he paid for on his card before moving the crypto to the scammer. As a result, Monzo didn't treat him unfairly by not raising a chargeback.

My final decision

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 14 November 2025.

Mark Dobson
Ombudsman