

The complaint

Mr A complains that Monzo Bank Ltd won't refund money he says was lost to a scam.

Mr A is represented by a firm I'll refer to as R. For ease, I have referred to comments made by R as though Mr A himself made them.

What happened

Mr A said the following payments were made to what he now believes to have been an investment scam:

Payment	Date	Payment Type	Amount
1	26 July 2023	Debit card payment	£8,000
2	29 August 2023	Debit card payment	£1,200
3	18 September 2023	Debit card payment	£1,400
4	18 September 2023	Debit card payment	£2,600
5	19 September 2023	Debit card payment	£950
6	21 September 2023	Debit card payment	£10,000
	26 September 2023	Payment received	£3,467
7	26 September 2023	Debit card payment	£3,500
8	26 September 2023	Debit card payment	£1,800
9	29 September 2023	Debit card payment	£1,000
10	29 September 2023	Debit card payment	£6,500
11	30 September 2023	Debit card payment	£2,000
12	01 October 2023	Debit card payment	£1,000
13	02 October 2023	Debit card payment	£5,000
14	04 October 2023	Debit card payment	£1,770
15	12 October 2023	Debit card payment	£8,000
16	13 October 2023	Debit card payment	£700
17	16 October 2023	Debit card payment	£300
18	16 October 2023	Debit card payment	£300
19	19 October 2023	Debit card payment	£8,000
20	20 October 2023	Debit card payment	£350
21	24 October 2023	Debit card payment	£1,500

	26 October 2023	Payment received	£800
22	26 October 2023	Debit card payment	£1,500
23	31 October 2023	Debit card payment	£9,450
24	03 November 2023	Debit card payment	£200

In summary Mr A said he found the website for a firm I'll refer to as F and searched reviews online before he decided to invest using funds he borrowed from his son. He said he realised he had been scammed when he could not withdraw his funds from the investment and the broker told him the money had been moved without his permission for it to do so. Mr A raised the matter with Monzo but it didn't uphold his complaint.

Our investigator didn't think the complaint should be upheld because she said there was insufficient evidence to persuade her with any degree of certainty that F was operating a scam.

As an agreement could not be reached, the complaint has 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.

I recognise that I have summarised this complaint in much less detail than has been provided. I want to reassure both parties that I have taken their submissions into consideration and if I haven't mentioned something it isn't because I've ignored it. Rather, I've focussed on setting out what is key to my decision.

In broad terms, the starting position in law is that Monzo is expected to process payments and withdrawals that a customer authorises it to make. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Monzo should take steps to help protect its customers from financial harm resulting from fraud.

That being said. Not every complaint referred to us in relation to an investment is in fact a scam. I think it is important to highlight that investments tend to carry a level of risk. Some complaints that we see involve high-risk investments that resulted in disappointing returns or losses, and at times the loss is substantial. While some investment may be sold using sales methods, or have terms and conditions, that customers think are unfair or misleading, that doesn't always amount to fraud.

Mr A told us he was investing on behalf of his son, so I don't think he has suffered a direct loss. Regardless of who the funds belong to, it is clear there has been a substantial loss here and I can understand why Mr A would be concerned. While I empathise with Mr A's situation, I must put aside my feelings and consider this complaint impartially.

Having considered all that happened, I've reached the same outcome as our investigator and for similar reasons. I know this will be very disappointing to Mr A, but I'll explain the reasons for my decision.

- I have reviewed alerts and warnings provided by the International Organization of Securities Commission (IOSCO). While there is an alert relating to F, the information does not indicate that the firm has scammed its customers, it simply states that the firm is not licensed to trade in a certain territory.

- I have also reviewed the Financial Conduct Authority's (FCA) warning list and I note there are no entries on its website in relation to F. From my research I note the firm is licensed and regulated in other jurisdictions and continues to be.
- Mr A has mentioned other firms he says are linked to F, but again I have not found any warnings that these firms have been involved fraudulent activity, or scammed customers. He also brought a third firm to our attention (I'll call T), that is potentially linked to a scam but I have not been able to establish a link between F and T. Nevertheless, F are the subject of the complaint and to whom the payments were made, as such greater emphasis must be placed on the information about F and what happened the fund he paid to them.
- While I accept the information provided by the IOSCO should be a point of caution for customers looking to invest. I do not think its enough for me to safely conclude that F is fraudulent.
- I find F's website to be legitimate and I note reviews about the firm are mostly positive. Mr A also received regular statements and communication from F highlighting the status of his investment account, which is what I would expect of a legitimate firm. Overall, I have not seen enough to persuade me that F is not a genuine firm.
- Mr A has not provided evidence of what he was told when he tried to withdraw funds from his account, and its not clear how much he asked to withdraw and whether there were funds available in the account for him to draw on at the time. The statements from his account with F show Mr A made various trades and although there was some profit made, he appears to have made continuous losses. And by November 2023 when he made the last payment from his account with Monzo, Mr A had a minimal balance available in his investment account.
- Mr A said the broker claimed his funds were secure but this was later contradicted. However, he has not been able to evidence the contradictory information he said he was provided, nor that F mismanaged his funds.
- I have not seen evidence that persuades me Mr A's losses were a result of fraud or a scam, nor that F's intentions were to defraud him from the outset. Mr A traded in foreign exchange, which is a high-risk way of investing. I think the information available indicates the loss he incurred was due to the high-risk nature of the investment he chose to take part in.
- It follows that where I do not find the payments Mr A made to F were the result of fraud or a scam, I do not think Monzo needed to intervene. There is no obligation on the bank to protect customers from a bad investment or the risk of loss one faces by entering a high-risk investment, as I find was likely the case here.

I have carefully considered everything that's happened and I know this is not the outcome Mr A hoped for. I recognised he and his son experienced a significant loss, but I can't fairly or reasonably hold Monzo responsible for it.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 July 2025.

Oluwatobi Balogun
Ombudsman