

The complaint

Mr M is unhappy Monzo Bank Ltd will not refund the money he lost as the result of a scam.

Mr M brought his complaint through a representative. For ease of reading I will refer solely to Mr M in this decision.

What happened

As both parties are aware of the details of the scam I will not repeat them in full here. In summary, Mr M fell victim to a job/task scam. He was contacted via WhatsApp and offered the opportunity to earn commission for carrying out tasks online (reviewing products). He was told that to access the tasks he first needed to deposit funds as cryptocurrency. He made the following faster payments to a digital wallet in his own name at a cryptocurrency exchange and from there he moved the money on to the scammer.

payment	date	value
1	24/06/2022	£86
2	26/06/2022	£50
3	26/06/2022	£40
4	26/06/2022	£80
5	27/06/2022	£84
6	27/06/2022	£200
7	01/07/2022	£500
8	01/07/2022	£900
9	25/08/2022	£1,370.48
10	29/08/2022	£2,135
11	29/08/2022	£3,599
12	30/08/2022	£3,000
13	31/08/2022	£2,000

Mr M received one credit for £69.93 from the scam. He realised it was a scam when he was told to deposit more and more funds before he could withdraw any his commission.

Mr M says Monzo did not do enough to protect his money. Monzo says it followed Mr M's payment instructions for all payments and showed a clear scam warning at the time of payment 1 as it was a new payee. And whilst it acts within the spirit of the CRM code, the principles are not applicable here as the payments were to another account in Mr M's name.

Our investigator did not uphold Mr M's complaint. She thought Monzo should have provided a written warning at the time of payment 11 but that it would most likely not have made a difference.

Mr M disagreed and asked for an ombudsman's review. He said, in summary, Monzo should have intervened and before payment 11, it could have asked for a face-to-face meeting. If

further investigations after payment 1 had been made Monzo could have refused to authorise the transactions given their value. Its failure to make any further investigations after payment 1 meant he lost significant amounts of money.

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.

There's no dispute that Mr M made and authorised the payments. Mr M knew who he was paying, and the reason why. At the stage he was making these payments, he believed he was transferring funds to his crypto account to allow him to send funds to access tasks as part of a job opportunity. I don't dispute Mr M was scammed and he wasn't making payments for the reason he thought he was, but I remain satisfied the transactions were authorised under the Payment Services Regulations 2017.

It's also accepted that Monzo has an obligation to follow Mr M's instructions. So in the first instance Mr M is presumed liable for his loss. But there are other factors that must be considered.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what was good industry practice at the time, I consider it fair and reasonable that by June 2022 Monzo should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- 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 (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms 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, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were made to an account in Mr M's name, the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

In this overall context, I do not think Monzo can fairly be held liable for any of the payments. I'll explain why.

At the time of payment 1 Monzo presented Mr M with both its new payee warning and a fraud warning. Mr M clicked 'continue' each time. It was unable to complete a confirmation of payee as the recipient account did not support this process, the final screen of this process included another scam warning as a result and again Mr M clicked 'continue'. I think these actions were proportionate given the value of the payment.

Mr M argues Monzo ought to have done more at this stage but I disagree. I think it was reasonable for Monzo to process transactions 1-10 as it did. I do not find they had characteristics that ought to have led Monzo to conclude Mr M was at risk of possible financial harm.

The payments were made to a well-known, legitimate cryptocurrency exchange. And while

there are known fraud risks associated with cryptocurrency, many consumers buy it for legitimate purposes. And there is a balance to be struck. Banks have obligations to be alert to fraud and scams and to act in their customers' best interests. But they can't reasonably be involved in every transaction, this would cause unsustainable disruption to legitimate payments activity.

Like the investigator, I think Monzo ought to have provided a written warning at the time of payment 11 given the increasing values of payments 9-11. As this was in August 2022 we would have expected Monzo to provide a warning explaining the generic risks of cryptocurrency scams. As this would not have highlighted the specific risks of job/task scams I am not persuaded it would have resonated with Mr M so it was unlikely to have broken the spell of the scam. As payments 12 and 13 dropped back down in value I think it was reasonable Monzo did not move to a higher level of intervention such as direct contact, and had it reshowed a written cryptocurrency warning I do not find it would have changed the outcome for the same reasons as set out above.

I have then considered if Monzo did what we would expect to try to recover Mr M's money once he reported the scam. As he had moved the money to a digital wallet he had sole control of, and from there onto the scammer, there was no reasonable prospect of Monzo being able to recover the money from the beneficiary account. And that aside, Mr M did not report the scam until two years after the event. So I can't say there was any failing in this regard on Monzo's part.

It follows I am not instructing Monzo to refund any money to Mr M. I'm sorry Mr M has lost a considerable amount of money and I can understand why he would like to be compensated for his loss. I do accept Mr M has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Monzo can be held liable in the circumstances of this case.

My final decision

I am not upholding Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 September 2025.

Rebecca Connelley
Ombudsman