

The complaint

Ms M complains that Monzo Bank Ltd (“Monzo”) failed to refund money that Ms M lost as part of a scam.

What happened

Ms M was contacted by a person who said that Ms M could earn money by working for a company that I will call B. Ms M was told that she needed to review hotels and that she would be paid for these reviews. But once she started she was told that she had to pay fees to unlock her earnings.

From her Monzo account, Ms M made over 10 card payments to crypto firms and one transfer to an overseas current account. These transactions totalled over £15,000. The funds were then sent on to B.

Ms M was unable to withdraw her earnings she saw on the scam company website and at this point she realised that she had been scammed.

She raised a complaint with Monzo as she thought that it should have prevented her from sending the funds to the scammer and she requested that she be refunded the transactions in question. Monzo managed to recover the transaction that was made to the overseas current account.

One of our investigators looked into this matter and they did not uphold this complaint.

Ms M did not agree with this and therefore her complaint was passed to me to issue a final 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.

In broad terms, the starting position at law is banks are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that 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 – (as in practice Monzo sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Monzo did not intervene during the scam and I think that it really should have when Ms M made 6 transactions in one day to various crypto related firms and an overseas bank account on 6 July 2024. But I don't think that this would have prevented or uncovered the scam.

I say this because one of Ms M's other account providers did intervene and asked questions about the payments that Ms M was making. During this intervention, Ms M gave answers that were not accurate. She said that she was making a payment in order to pay someone who had done building work on her parents' house in Italy. When questioned about a different payment she said that she was paying for electrical work.

Given this, I think it more likely than not that if Monzo had questioned Ms M further about the payments, she would have likely provided answers designed to allow the payments to go through. Also, Ms M eventually sent the funds to a different current account that she held, to facilitate later payments, when she was unable to send funds directly to the scammer. So I think that had Monzo prevented the payments entirely, Ms M would have found a different way to send funds to the scammer.

Ultimately Monzo was only required to take proportionate steps to try and protect Ms M from financial harm. I'm not persuaded she would've shared anything concerning with Monzo had it questioned her more about what she was doing. So overall I think that Monzo should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam.

I've also thought about whether Monzo did enough to attempt to recover the money Ms M lost. In this instance, in relation to the payments to the crypto exchange the Contingent Reimbursement Model does not apply as it does not apply to card payments and I don't think a chargeback would have been successful as the card payments were to essentially send funds from one account to another which is what happened. So I don't think the payments to the crypto exchange could have been recovered. In relation to the transfer to the overseas account my understanding is that this was recovered by Monzo. I don't think that Monzo needed to do anything more.

I appreciate this will come as a disappointment to Ms M, and I'm sorry to hear she has been the victim of a scam. However, I'm not persuaded that Monzo can fairly or reasonably be held liable for her loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 25 July 2025.

Charlie Newton
Ombudsman