

The complaint

Mr B complains that Monzo Bank Ltd ('Monzo') won't refund the money he lost to a scam.

He's being represented. To keep things simple, I'll refer to Mr B throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details.

In summary, Mr B says that he connected with someone on a dating site. The conversation then moved to a messaging *app*. The subject of crypto-currency investments was brought up and he was persuaded to invest with their guidance. And believing he was dealing with a genuine and knowledgeable individual, he began making payments as instructed.

He started small at first but was then encouraged to invest more heavily on the basis that the more he held in his 'account' the greater the returns. To make the scam more convincing he was able to withdraw his initial 'investment' (and some profits) and was given access to a fake portal seemingly showing his 'deposits' and 'returns'.

He realised he'd been scammed when he couldn't later withdraw any of his funds and the scammer became unresponsive. By that time, about £39,000 had been sent from his Monzo account in a series of payments between 29 September and 5 October 2021. These were sent to his accounts with crypto-platforms used for the purchase of cryptocurrency that was then sent to the scam. To note, some of the money came from savings and loans.

A complaint was raised in September 2024 and referred to our Service. Our Investigator didn't uphold it. In brief, she didn't think the payments were unusual such that Monzo should have intervened. And considering an earlier call Mr B had with his other bank ('L') about a payment block, she wasn't persuaded an intervention would have made a difference in any event. She thought Mr B trusted the scammer and was determined to make the payments, and would likely have alleviated any concerns Monzo might have had.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've reached the same conclusions as the Investigator. These are the key reasons for my decision.

The starting position is that liability for an authorised payment rests with the payer, even where they're duped into making that payment. It isn't in dispute that Mr B made the payments, so under the relevant rules (the Payment Services Regulations 2017) they were authorised and Mr B is presumed liable for his losses in the first instance.

There are some situations where I consider that a firm (like Monzo) taking into account

relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious. But I'm not persuaded there was enough about the payments here for me to find that Monzo should have stepped in on concerns that Mr B was at a heightened risk of financial harm.

In reaching this view, I'm mindful that the total loss, while significant, was a result of smaller payments over a number of days. I'm also mindful Mr B had previously made significant payments, including directly to crypto-platforms, from his account. I can see, for example, £10,000 was sent in April 2021 as well as several payments to cryptocurrency in April and May 2021. I'm satisfied this earlier activity was relevant to assessing a payment risk despite a gap in crypto-spending from July 2021. And while I'm aware of the increase in multi-stage crypto-currency fraud in recent years, I agree with the Investigator it was reasonable for Monzo to take into account a range of factors in deciding if and how to intervene at the time.

In other words, I'm not persuaded there was enough about the payments, considering also Mr B's previous account activity, for Monzo to have found them as particularly concerning to the extent it should have intervened, or gone beyond the automated warnings it provided in the payment flow for the first of the larger transfers to a crypto-platform. I'd add that whilst these warnings didn't resonate, they did include: 'legitimate investments will never guarantee profit', 'legitimate investments aren't arranged over social media or things like WhatsApp'; 'Don't pay unless they're registered with the FCA and you're certain you can trust them'.

As I don't think Monzo was at fault for processing the disputed payments without carrying out further checks, I don't consider it necessary for me to go into whether a better intervention would have likely made a difference to Mr B's losses. And, in terms of recovery, I'm satisfied there was little Monzo could have done. For the transfers, these were sent to Mr B's own accounts. If any funds remained he'd have been able to recover them himself. For the card payments, it's unlikely a chargeback claim would have been successful (even if it had been made in time), given there's no dispute the cryptocurrency was provided as intended.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 October 2025.

Thomas Cardia
Ombudsman