

The complaint

Miss V complains that Monzo Bank Ltd ('Monzo') won't refund her the money she lost after she fell victim to an Authorised Push Payment ('APP') scam.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around April 2024, Miss V saw a job opportunity which interested her. She made enquiries and was told the job entailed reviewing high end products for a well-known department store, to improve ratings and visibility. Believing everything to be genuine, Miss V proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Miss V to pay her own money in order to proceed with the work.

As part of the scam, as well as using accounts she already held, Miss V was instructed by the fraudsters to open multiple accounts, with other payment service providers, as well as with cryptocurrency platforms. The scam saw Miss V moving money between her accounts to facilitate payments, making faster payments to individuals who were selling cryptocurrency through 'peer-to-peer' (P2P) exchange platforms and also saw her sending money directly to an account she had set up with a cryptocurrency platform herself. Her payments were then converted into cryptocurrency and subsequently transferred into accounts that were controlled by the fraudsters.

A breakdown of the payments Miss V made from her Monzo account are listed below:

	Date	Time	Method of payment	Amount
1	29/04/2024	12:07	Card payment to account held with another provider	£502.10
2	02/05/2024	11:23	Card payment to account held with another provider	£1,325.54
3	02/05/2024	18:24	Card payment to Cryptocurrency Platform	£500
4	03/05/2024	10:28	Card payment to account held with another provider	£520
5	03/05/2024	13:15	Faster payment to Payee 1 (P2P)	£500
6	04/05/2024	08:19	Faster payment to Payee 2 (P2P)	£410
7	08/05/2024	14:42	Card payment to Money Transfer Service (blocked by Monzo)	£1,650*
			Total Loss	£3,757.64

Payment 7, in the table above, was detected by Monzo's fraud detection systems and stopped. Monzo then spoke to Miss V about the payment and of the concerns it had around fraud. During these calls Monzo spoke to Miss V about different types of fraud, including job scams and how they typically played out.

Miss V has said she realised she'd been scammed, following this interaction with Monzo. The evidence submitted also says that Miss V contacted the department store, who

confirmed that they didn't employ people to carry out the work that the fraudsters had asked Miss V to do.

Miss V raised the matter with Monzo, but it didn't uphold her complaint. Unhappy with Monzo's response, Miss V brought her complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld. In summary, our Investigator thought the action Monzo took, in freezing Miss V's account and speaking to her about the final payment was proportionate. Our Investigator also didn't think Monzo missed an opportunity to recover any of the money Miss V lost.

Miss V didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought about everything carefully, I agree with our Investigator, and I don't think Monzo is responsible for refunding the money Miss V sadly lost. I'm sorry to hear that Miss V has been the victim of a cruel scam. I don't underestimate her strength of feeling, and I know this will come as a disappointment to her, so I'll explain why.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Miss V authorised the payments in question, so that means she is liable for them in the first instance, even though she was the victim of a scam.

However, that is not the end of the story. The regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victim to scams.

So, in this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Miss V when it processed the payments, or whether it should have done more than it did. In doing so, I'm mindful that firms, such as Monzo, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) against not holding up or delaying its customer's requests.

I am not entirely convinced that the initial payments Miss V made (payments 1-6) exhibited particularly concerning or irregular account behaviour – such that I would reasonably have expected Monzo to be concerned that she may have been at risk of financial harm. While I understand the amounts paid were of substantial value to Miss V, they weren't of such high value that they stood out from payments that banks would typically see on a customer's account on a regular basis.

But I do think a pattern was starting to emerge, of payments being made with increased frequency to different new payees (including a payment that was identifiably to a cryptocurrency platform, which can sometimes, but of course not always, be an indicator of fraud). So, when Miss V was attempting to make payment 7, which was for a noticeably higher amount, I'm persuaded there was enough going on that Monzo were right to have concerns about the activity on the account and of the risk of financial harm to Miss V. I can see that Monzo did intervene. In the circumstances of this case, I'm satisfied this was the right action, at the right time, and in blocking her account, Monzo prevented Miss V from losing the money from this payment and any further funds from her Monzo account.

I'm mindful that Miss V has said that she thinks Monzo knew of a scam going around. Monzo, as professionals in these matters, will have a good understanding of the types of fraud that their customers can fall victim to. But, I don't agree it's the case here that Monzo would have known that Miss V was falling victim to a scam. Rather, the activity on the account led Monzo to have concerns that Miss V may have been at risk of financial harm, such that it wanted to speak to her in order to do what it could to protect her from the risk.

I don't doubt that Miss V believes Monzo's intervention ought to have come sooner than it did. This is often a finally balanced matter, so I think, for the purposes of this decision, it's also helpful for me to note here that even if Monzo had intervened sooner than it did, it's more likely than not that this wouldn't have made a difference and stopped Miss V from losing this money.

I say that as, if Monzo had intervened on an earlier payment, a proportionate response would have been for Monzo to carry out some sort of intervention to establish further details surrounding the payments, and to then provide a tailored warning, through its automated functions, based on any apparent risk that may present itself.

Miss V has told us, and the evidence I've seen, shows that she had been subject to social engineering and was being coached extensively by the scammer. This coaching included how she should answer questions posed about the payments she was making and liaising with the fraudster while making some of the payments. So, even if Monzo had done more, and had tried to establish more details around the payments, before issuing a warning, I think it's more likely than not Miss V would've reverted to the fraudster on how to answer any questions.

The weight of evidence here suggests that Miss V was trusting of what the fraudster was telling her and most likely would have been prepared to follow the fraudster's instructions to unwittingly foil Monzo's attempt to identify the purpose of the payment(s). I don't think it's likely that Miss V would have revealed to Monzo that she was making payments for the purposes of funding a job. As such, the automated warnings that I would reasonably have expected Monzo to give, would not have related to job scams and would therefore not likely have resonated with Miss V.

I would add that in doing so, I do not suggest that Miss V would have intended to be maliciously disingenuous with Monzo – rather I think the evidence suggests the trust she had built with the fraudster, would have led her to follow their advice and instructions.

Overall, with all things considered and given the circumstances, I don't think Monzo can fairly be held responsible for Miss V's loss, and I don't think, in the individual circumstances of this case, it would likely have been able to prevent Miss V from making these payments.

Thinking next about the recovery of payments, given Miss V sent the money from Monzo to individual sellers (who were unlikely to have been involved in the scam) for the purchase of

cryptocurrency or through transferring money directly to a cryptocurrency wallet she held – there would have been no opportunity for Monzo to have recovered any of the money she sadly lost.

I'm mindful that Miss V has said she was vulnerable at the time the payments were made. I recognise that Miss V has fallen victim to a scam and I'm sorry to hear of the difficult personal circumstances that she has been faced with. But I haven't seen anything to suggest that Monzo were made aware of any vulnerability factors or ought to have identified them, such that it should have known to take additional steps to protect Miss V.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Miss V. It's very unfortunate Miss V has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for her. But in the circumstances, having carefully considered everything, I don't find Monzo could have reasonably prevented Miss V's loss here. Neither do I find there were any other failings on Monzo's part that would lead me to uphold this complaint.

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 Miss V to accept or reject my decision before 18 September 2025.

Stephen Wise
Ombudsman