

The complaint

Mr M complains that Monzo Bank Ltd didn't provide sufficient protection against a scam resulting in him losing £16,668.87. He wants the money he lost refunded along with statutory interest and £1,000 for the distress and inconvenience he has been caused while dealing with this issue.

Mr M is represented by a third party but for ease of reference I have referred to Mr M throughout this decision.

What happened

Between July 2022 and January 2023, Mr M made several transfers from his Monzo account to a digital wallet in his name with an electronic money institution (EMI).

Payments	Date	Payment method	Amount
1	11 July 2022	Faster payment	£11
2	17 July 2022	Faster payment	£8,701
3	21 July 2022	Faster payment	£250
4	22 July 2022	Faster payment	£90
5	27 July 2022	Faster payment	£7,540
	29 July 2022	<i>Credit</i>	£1,665.23
6	2 August 2022	Faster payment	£90
7	2 August 2022	Faster payment	£79
8	3 August 2022	Faster payment	£170
	9 October 2022	<i>Credit</i>	£3,080
9	20 October 2022	Faster payment	£9,601
	31 October 2022	<i>Credit</i>	£1,400
	1 December 2022	<i>Credit</i>	£2,210
	1 December 2022	<i>Credit</i>	£200
	31 December 2022	<i>Credit</i>	£2,160
10	31 January 2023	Faster payment	£2,300
	31 January 2023	<i>Credit</i>	£1,447.90
	Total Loss		£16,668.87

Mr M said that the investment was marketed at an in person event and he carried out due diligence on the company and its owners. He said the company was registered with Companies House and was recorded as an authorised provider with the Financial Conduct Authority at the time. Mr M said that he sent money to his personal account through an EMI and that he was promised returns of three times his investment. He said that the communication about the investment was through telephone and online messaging services. Mr M said he thought the investment was genuine at first as he received some returns, but he became aware that it was a scam when the FCA issued a disclaimer about the investment company and The Insolvency Service also published a statement in May 2024.

Monzo said that Mr M authorised the payments and that it hadn't been provided with sufficient evidence to show that he had been the victim of a scam.

Our investigator said it had been accepted that Mr M had authorised the payments from his Monzo account. They noted that banks and other Payment Services Providers (“PSPs”) have a duty to protect customers against the risk of financial loss due to fraud but that they do not have to protect customers against the risk of bad bargains or give investment advice. Having considered the evidence provided, our investigator didn’t think there was sufficient evidence to show that Mr M had been the victim of a scam. Therefore, they didn’t uphold this complaint.

Mr M didn’t agree with our investigator’s view. He said that he undertook extensive research into the investment opportunity and based on this he thought he was participating in a genuine investment. He said he didn’t become aware that he was the victim of a scam until after the initial investments were made and returns received. He said that he sent the money to a wallet in his name and as he was able to withdraw a portion of his funds, this added to his belief that the investment was genuine. He said this approach (allowing initial withdrawals to encourage further investments) was a common factor in these scams. He said that Monzo should have done more to protect him.

As a resolution hasn’t been agreed, this complaint has been passed to me, an ombudsman, to issue a 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 am sorry to hear that Mr M has lost money, but for me to uphold this complaint I would need to have clear evidence showing that the loss was due to Mr M being the victim of a scam (rather than a loss arising from a bad bargain or poor investment). Then, if I am satisfied that Mr M was the victim of a scam, I would need to find that Monzo should have done more to intervene, and that had that happened the scam would have been identified and the payments stopped. When making a decision I take all relevant rules, regulations and guidance into consideration and my decision is based on what I consider to be fair and reasonable given the unique circumstances of the complaint.

Mr M authorised several payments from his Monzo account to his account with an EMI. Under the Payment Service Regulations 2017, the starting point is that Mr M is liable for the payments he authorised. However, Monzo should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud. But before I consider what, if any action Monzo was required to take, I have considered whether there is enough evidence to show that Mr M was the victim of a scam.

Mr M has provided copies of various screenshots showing communications about investments and advertisements for training and other investment linked events. He has provided screenshots of messages but these have different names noted and don’t provide clear evidence showing him being contacted by a scammer and encouraged to invest. The evidence therefore doesn’t present a clear picture of Mr M being contacted and persuaded to invest in a scam.

Mr M has provided extracts from communications regarding an investment that has since been identified as a scam, but it isn’t clear from the extracts how they relate to the payments Mr M made from his Monzo account that **are the subject of this complaint**. A trading account in Mr M’s name showing the destination of payments to the fraudulent investment hasn’t been submitted. Mr M received credits into his EMI account and while I accept that these can be made as part of a scam to encourage the victim to make further investments, I

do not find I have been provided with sufficient evidence to establish that these receipts weren't from a genuine investment or that Mr M's payments from his Monzo account to the EMI were lost to a scam.

So, while I am sorry to hear of Mr M's loss, and I do not doubt his testimony in this case, I do not find I have enough evidence to show that Mr M's payments from his Monzo account were lost as part of a scam and without this, I am not able to uphold this complaint.

My final decision

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 M to accept or reject my decision before 18 September 2025.

Jane Archer
Ombudsman