

The complaint

Mr H complains Monzo Bank Ltd won't refund payments he made when he fell victim to a blackmail scam.

What happened

Mr H had been speaking to someone online, and they went on to threaten him that they would share private information if he didn't pay them. On 20 August 2024, he says he was blackmailed into sending a series of card payments via money remittance firms.

Mr H has explained he was on the phone with the individual threatening him while making the payments. They would end the call after he completed the payments but would make sure he answered when they called back. And they made him share his screen so they could see what he was doing.

After a day or so, Mr H disputed eight card payments he sent to "T", a money remittance company, with Monzo. The payments ranged from £150 to £600 and totalled just over £3,000. Mr H said Monzo should refund him given the circumstances in which he made the payments – but it didn't agree. He then referred the matter to our service.

Our investigator didn't uphold the complaint. They thought Monzo should have intervened – but given the circumstances in which Mr H was making these payments, they weren't persuaded this would have prevented him from proceeding. They also didn't think Monzo could have successfully recovered the funds.

Mr H has appealed the investigator's outcome. In summary, he says he made the payments under extreme pressure and stress, and didn't receive any warnings or security messages despite the unusual pattern of payments. If Monzo had done this, he says he could have used that as an excuse not to proceed as the scammers were viewing his screen.

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 decided not to uphold it. I appreciate this will be disappointing for Mr H, who I can see has lost out at the cruel hands of the blackmailer. I'll explain why.

It's agreed Mr H authorised these payments. That means the starting position is that he's liable for them. In line with the Payment Services Regulations 2017, firms are expected to process authorised payment instructions without undue delay.

However, there are some situations when I would reasonably expect a firm to make further enquiries about a payment before deciding when to process it – such as in circumstances where there are grounds to suspect it presented a fraud risk. If a firm failed to respond proportionately to such a risk, and doing so would have prevented the consumer from incurring a fraudulent loss, it may be fair to hold the firm liable.

I've carefully considered Mr H's account activity on 20 August 2024 – the day of the disputed payments. I can see there were several account top-ups in between the payments Mr H made. As the investigator pointed out, shortly before the payments to T, there was a payment of £500 to another remittance firm which was returned.

I've noticed there was also an earlier payment to a difference remittance firm which was returned on a later date. While there is no loss from this payment, and it hasn't been disputed by Mr H, I have taken this into account when looking at his overall account activity on the day – to determine whether Monzo should have had concerns.

I appreciate there were some factors here that likely offered Monzo some reassurance about these payments. There were authenticated by "3DS" – an additional layer of security that would have reassured Monzo it was likely Mr H making these payments. And the payments were going to a genuine firm which was regulated in the UK.

That said, I do think the pattern of payments that emerged looked suspicious. It looked unusual that Mr H would be making so many payments to money remittance firms, which he didn't have a history of doing. In particular, I think the number of payments sent to T in relatively quick succession should have given Monzo pause. I think it should therefore have done more to protect Mr H. Such as by asking him automated questions about what the payments were for, and issuing warnings about any scam risks identified from his answers.

I appreciate Mr H says warnings of this nature would have given him an excuse not to proceed. On balance, I think the fact the blackmailers were watching his screen and instructing him as he made the payments means that was unlikely to have worked.

Any warnings Monzo could have given would have been guided by any responses he gave about what he was doing. Given that the blackmailers were watching his screen and instructing him on what to do, I think they would similarly have guided him on how to answer any questions – and would have told him to proceed even if warnings were shown. Looking at the messages Mr H has provided, and from what he has told us, it's clear he felt pressure to do as they said. In the circumstances, I'm not persuaded any proportionate intervention was likely to have prevented Mr H from making these payments.

I also don't think Monzo missed an opportunity to recover these funds. As they were card payments, they are covered by the voluntary chargeback scheme, which offers an opportunity to recover funds from the merchant paid directly in some circumstances where there is a dispute between the payee and the merchant paid. But here, the funds were sent to a genuine merchant – who then moved the funds on in line with the instructions received. I therefore don't think there would have been grounds to charge back these payments from T.

I do accept Mr H lost out at the hands of someone acting illegally, so I can understand why he feels strongly about pursuing this matter. However, having carefully considered all the circumstances, I'm not persuaded it would be fair to hold Monzo liable for his loss.

My final decision

For the reasons given above, 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 H to accept or reject my decision before 19 August 2025.

Rachel Loughlin
Ombudsman