The complaint

Mr M is unhappy Monzo Bank Ltd won't refund a payment he says he made as part of a scam.

What happened

On 14 September 2024 Mr M made an international payment for £602 using a money transfer service, I'll call "W", and funded the transaction using his Monzo account. Mr M says he sent that money to a friend to help towards the costs of an air ticket, car rental and accommodation. That's because his friend said he was suffering from a serious illness, and he wanted to meet up with him for what could be the last time. But Mr M says he later found out the diagnosis wasn't true, and when he confronted the friend he became abusive and cut off contact.

Mr M reported he'd been scammed to Monzo on 20 September 2023, and three days later the bank said it thought the matter was a civil dispute – so it declined to refund the payment. He raised a complaint, and received Monzo's final response at the start of October 2024. That said the bank thought the correct outcome had been reached on his fraud claim. Mr M wasn't happy with Monzo's response, so he referred the matter to our service for review.

One of our investigators considered the complaint and didn't think it should be upheld. In her view, there wasn't enough evidence to support that Mr M had been scammed. But, even if it was a scam, the investigator said the payment wasn't covered by the fraud refund scheme in place at the time, as the transfer went to an account in his own name. The investigator also said she wouldn't have expected a fraud intervention prior to allowing a payment of that size, so she didn't think Monzo was liable to reimburse the transaction.

Mr M didn't agree with the investigator's opinion, and asked for an ombudsman to reconsider his complaint. So the matter was passed to me to decide the fair outcome.

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 this complaint. I know this is not the answer Mr M was hoping for, and so this will come as a disappointment. I'm really sorry to hear about the situation he found himself in, and I can understand why he'd want to do all he could to recover the money he sent. But I need to decide whether Monzo can fairly and reasonably be held responsible for the loss he's claimed. Overall, I've decided that it can't be – and I'll explain why. Before I do, I want to acknowledge that I've seen Mr M was unhappy about another issue around the same time as he reported things to Monzo (involving the redebiting of payment that would take him into an unplanned overdraft) – but that issue hasn't been referred to us, and this decision only deals with his complaint about the handling of the fraud claim.

Mr M has provided some of the messages exchanged with the friend about the money –

those are consistent with the dates involved and beneficiary details. The costs involved with the proposed trip are also discussed around the sending of the money. Mr M has said the friend sent a fake booking confirmation for a hire car, and I can see the screenshot embedded in the chat (of the signature part of the agreement) is very similar to the link to the template he found online (not exactly the same though, as it doesn't include the 'date and time of vehicle pick up' part, nor does it have the names printed below the signature box). It's also a template that may have been used by a legitimate car hire firm. We haven't got the messages where the picture of the fake plan ticket was sent to Mr M, so I can't confirm that the friend used the same image from the travel blog website. But the messages don't confirm the basis on which the money was given, so I can't tell if Mr M was deceived about that purpose. There's also some inconsistency in the reasons Mr M gave for sending the payment, as initially he told Monzo it was for treatment costs, and later to help fund a trip to visit him in the UK – neither reason is supported by the reference entered for the payment. So there are gaps in the proof we have to support Mr M's testimony.

The main gap is that we haven't got anything to corroborate the trip was planned because the friend was diagnosed with cancer – or anything to support that not being true, and Mr M confronting the friend about it. I appreciate a lot of those conversations may have happened over the phone, rather than in messages, so he might be limited in what he can send us. I'm also not saying that what Mr M has told us didn't happen, but his testimony alone wouldn't be enough to evidence he was scammed in the circumstances – we'd need more supporting information to corroborate the funds were lost through dishonest deception (to fill in the gaps I've outlined). We haven't been able to conclude it was Mr M's money that was lost either, as the transaction was funded by a payment from another person into the account just before. Mr M says that was a friend he'd given the cash to, because Monzo has limits on how much cash can be paid in (£300 at a time, and a limit of £1,000 over a six month period), but we've not seen anything to corroborate that cash changed hands prior to that deposit. So I'm not able to conclude, based on what I've seen, that Mr M lost money to a scam – and I'm satisfied we've been clear about what we'd need to see. But even if the scam could be evidenced, it wouldn't make a difference to the outcome here (as I'll explain below).

Mr M seems to be under the impression that if he was scammed the bank should automatically refund the payment, but that's not the case. There are a number of considerations to work through before deciding if a refund is due:

- This transaction predates the scam reimbursement rules that were brought in by Payment Services Regulator (PSR) from 7 October 2024. Those rules aren't retrospective, and so aren't relevant to this payment.
- The scheme in place prior to that was called the Contingent Reimbursement Model (CRM), and was a voluntary code that some banks signed up to, and provided fraud refunds in certain scenarios. Monzo didn't technically sign up to the CRM, but agreed to apply the provisions of the code to fraud claims. Importantly, neither the CRM code (nor the later PSR rules) cover international transfers or ones made to another account held by the same customer. This payment was an international one (facilitated through an account at W, which was in Mr M's name), so this wouldn't be covered for a refund under the CRM code.
- There's been a longstanding regulatory expectation that banks should monitor for signs their customers are at risk of financial harm from fraud – and intervene where appropriate. I've thought about this transaction in the context of Mr M's usual account activity, and I don't find it ought to have been particularly suspicious to Monzo. The amount wasn't concerningly large, and an obvious scam pattern wasn't forming. It did drain the account, but that was a regular occurrence. So I don't think Monzo needed to provide any warnings or question Mr M about what he was doing prior to allowing the payment to go through.

- Even if Monzo had provided a scam warning, or questioned him about the payment, I don't think that would have stopped it being sent – Mr M was sending money to a longstanding friend, and was convinced at the point he sent it the purpose behind it was legitimate, meaning a warning wouldn't have had any impact. Monzo also wouldn't have likely had concerns after speaking to him.
- The final thing to consider is whether Monzo did what we'd expect once Mr M reported he'd been scammed, in terms of trying to recover the funds. That would only have been done if there was enough evidence to conclude it was likely a scam (which I've said there wasn't). It was also an international payment, which are harder to recover anyway as different rules apply abroad. Recovery would have required the cooperation of the recipient bank too, and the friend could have argued he was due the money, which would have left Mr M in the same position. There was a week between the sending of the transfer and the fraud report being made too – so if this was a scam, the money would likely have been moved on by then anyway (as that's how scammers operate). So I don't think Monzo made an error by not attempting to recover the payment, and I don't think it would have likely succeeded even if it did.

I've thought about whether there were any aspects of Monzo's service that fell short of a reasonable standard, and I've seen Mr M waited a day before he was sent the form to complete that outlined the details and evidence needed for the fraud team. That certainly could have happened quicker, but I don't think that would have made a difference, given what I've concluded about there not being enough evidence of a scam and the payment not being covered for a refund under any scheme. I've also seen Monzo gave Mr M an outcome within a few days, and then replied to his complaint within a couple of weeks – I think both of those happened within reasonable timescales overall, even if Monzo were slow to start looking into things. I appreciate Mr M was frustrated by having to wait for an answer, and I know that was in part driven by his own circumstances of being in financial difficulty during this period, but Monzo reasonably needed time to investigate what happened.

Overall, for the reasons given above, I don't think Monzo are required to refund the payment in question, and I consider it treated Mr M fairly with regards to the fraud claim – so I'm not directing the bank to do anything further to resolve the complaint.

My final decision

My final decision is I don't uphold Mr M's complaint about Monzo Bank Ltd.

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

Ryan Miles
Ombudsman