

## The complaint

Mr D complains that Monzo Bank Ltd won't reimburse him with money he lost to a scam.

Mr D has brought his complaint with the assistance of a professional representative. For ease, I'll refer to their submissions as being from Mr D.

## What happened

In June 2024 Mr D started to communicate with someone initially on a dating site and then on a popular instant messaging platform. Very sadly, this person turned out to be a scammer. After speaking frequently with the scammer over several weeks, Mr D was tricked into investing in cryptocurrency by the scammer. She'd told Mr D she invested in cryptocurrency herself and could teach him how to do it.

The scammer explained to Mr D how he could open his own wallet with a cryptocurrency platform. From there she told him how to transfer funds to the scam investment platform.

Mr D was reassured when he saw his initial small deposits credited to his account with the scam investment platform. Over six weeks Mr D transferred just over £30,000 from Monzo to the scam investment platform, which showed his balance to be around £70,000. But when he tried to make a withdrawal he was told he'd need to pay a tax bill of £30,000. At this point he realised he'd been scammed.

Mr D reported the scam to Monzo. He also complained it had not effectively intervened to warn him that he might be losing money to a scam. Monzo said Mr D had authorised the payments to the cryptocurrency platform. It had shown him warnings tailored specifically to cryptocurrency scams. And when Mr D made his fifth payment of £3,950 it had telephoned him, and asked him questions about the investment, but Mr D didn't tell it he was being guided by the scammer. Monzo said he went ahead despite the warnings it had given him about cryptocurrency scams. Monzo was not able to recover Mr D's money as it had been paid to an account in his name and only after that was the money lost to the scammer.

Mr D complained to this Service. Our Investigator noted that Monzo had intervened with cryptocurrency investment warnings from the outset, including a warning about scammers building relationships with consumers on social media platforms. She had listened to Monzo's telephone call to Mr D and in her assessment letter she set out key parts of the conversation. Monzo had also asked Mr D to send it screenshots of his cryptocurrency wallet to satisfy itself the account was in his name and under his control. It also discussed with him how he could research the Financial Conduct Authority's (FCA) register to satisfy himself about legitimate investment firms.

Despite Monzo's questions, our Investigator noted that Mr D was not open about his romantic relationship with the scammer, who had introduced him to the scam investment platform and had guided him step by step in how to invest. If he'd been more open, she thought Monzo could have tailored the warnings it gave Mr D to include advice about the type of romance scam to which he'd sadly fallen victim. She didn't think Monzo could recover any money as it had been sent to Mr D's account held in his own name before being paid to

the scammers.

Mr D asked for an Ombudsman's decision. In summary, he thought Monzo's interventions came too late, given the unusual and suspicious activity and payments to a cryptocurrency exchange. He said the questions Monzo asked should have gone further and were not sufficient to uncover the scam.

### **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.

It isn't in dispute that Mr D authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Monzo is aware, taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

A balance must be struck between identifying payments that may indicate a consumer is potentially at risk of financial harm – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments.

I've considered Mr D's comments carefully. But like our Investigator, I'm not persuaded that Monzo ought to have intervened in the first four payments, given their amounts and payment pattern over a period of ten days. That said, Monzo *did* intervene and it showed Mr D cryptocurrency investment warnings which included that scammers often build relationships of trust over social media and messaging platforms. This is what had happened to Mr D but unfortunately the scam warnings didn't resonate with him.

The fifth payment of £3,950 warranted a more robust intervention, which is what happened in this case. Monzo telephoned Mr D. I've listened to the call recording. In summary, Monzo asked Mr D what I consider to be open and probing questions about why he was making his payments and the type of investment (cryptocurrency). Monzo asked several follow up questions, including about whether anyone:

- had been guiding Mr D;
- had contacted him before he'd made the investment (and whether he'd taken advice from anyone like financial advisers or brokers);
- had contacted him claiming to work for the bank or another organisation;
- had asked him to transfer the money or make the payment.

Mr D answered 'no' to all the above questions, but I don't think his answers were accurate. By his own admission he'd had no experience in investing in cryptocurrency and the scammer had offered to teach him how to do it, and she had guided him step by step in how to open a cryptocurrency account and transfer funds to the scam investment platform. So someone had been guiding Mr D and yet he didn't tell Monzo despite it asking him specifically about this.

Monzo also asked Mr D whether he was looking to store his cryptocurrency with the cryptocurrency platform or whether he was looking to create accounts with other platforms. Mr D responded to say 'no' to this question and that as he had just started he wouldn't even know how to go much further than that. But based on his exchanges with the scammer, this answer wasn't correct. He'd opened an account with the scam investment platform to which he intended to transfer the money.

Our Investigator has asked Mr D to explain why he answered Monzo's questions as he did. I've read his responses, which include that he didn't consider the scammer was an adviser and believed his answers to be true. But I consider Monzo's questions were clear and Mr D didn't answer them accurately.

Unfortunately, Mr D was under the spell of the scammer, in what I accept was a particularly cruel fraud. I don't consider that Monzo could reasonably have broken that spell, in circumstances where Mr D had not been open and honest about the reasons he had decided to invest in cryptocurrency. If he had responded openly to say he was being guided by the scammer, whom he had met on a dating site and not in person then I consider it likely, on balance, that Monzo could have given him a warning that was tailored to this type of romance scam. Instead I think Monzo gave Mr D proportionate warnings tailored to cryptocurrency scams. And even though its warnings included the prevalence of scammers gaining trust over social media platforms, they didn't resonate with Mr D. So I don't think Monzo could reasonably have prevented Mr D's loss.

I don't consider Monzo could successfully have recovered any of the money Mr D lost to the scam. He sent the money to the cryptocurrency account under his control and successfully purchased cryptocurrency before sending it to the scammer.

Finally, I would like to make it clear that I do not seek in any way to blame Mr D who had fallen victim to a sophisticated scam. I have been sorry to hear about it and the impact it's had on him. But for the reasons I've explained, I don't consider Monzo could reasonably have uncovered the scam.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 October 2025.

Amanda Maycock  
**Ombudsman**