

The complaint

Mr M is unhappy that Monzo Bank Ltd won't reimburse money he lost to a scam.

Mr M is represented by a third-party claims firm, but I will refer to Mr M here.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr M has explained that in May 2023 he made payments from his Monzo account to buy cryptocurrency which he ultimately lost to a romance scam.

Mr M advises he was unexpectedly approached by a woman (the scammer) in April 2023. She claimed to have mistakenly contacted him but both parties remained in contact and eventually entered into a relationship. Mr M advises that she introduced him to an investment which her "uncle" was involved in. Following the advice of the scammer Mr M began investing using an account he had with another banking provider (who I will refer to as "L"). Mr M was told to transfer funds using cryptocurrency providers. He was also told to make payments to one cryptocurrency provider (who I will refer to as "B") through a money transfer service.

Mr M ran into problems transferring funds from L, so the scammer advised him to open an account with Monzo. Mr M then made several payments from his Monzo account as part of the scam. He realised he had been scammed when he attempted to withdraw his money and was told he needed to pay further funds to verify his identity. Mr M lost £15,500 from his Monzo account as a result of the scam.

Mr M raised a complaint with Monzo. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr M brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. He thought Monzo should have recognised that Mr M was at risk of financial harm when he attempted his first payment of £6,000 on the 3 May 2023, but he wasn't persuaded that an intervention by Monzo would have made a difference to Mr M's decision to send the payments.

Mr M didn't agree with the outcome, so his complaint has been passed to me for review and 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 and the relevant submissions briefly, in much 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. As a consequence, 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 consider is the right outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

As such, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by the parties to this complaint, and reach what I think is an independent, fair and reasonable decision, based on what I find to be the facts of the case. For the avoidance of doubt, in doing so, I have carefully reviewed everything submitted by Mr M.

We have received some conflicting information about the scam including when the accounts with the cryptocurrency providers may have been opened and what credits Mr M received as a result of the scam. However, I don't think this makes a difference to the outcome of Mr M's complaint because, like the Investigator, I don't think further intervention from Monzo would have made a difference to Mr M's decision to invest. So, I'm going to proceed on the basis that Mr M did suffer a loss to the scam he's described.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Monzo is expected to process authorised payment instructions without undue delay. But in some circumstances a bank should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer, or has the hallmarks of fraud. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. But I'd expect any intervention to be proportionate to the circumstances of the payment.

The starting point here is whether the payment instructions given by Mr M to Monzo were unusual enough to have expected additional checks to be carried out before the payments were processed. So, I need to decide if the transactions were concerning enough that I would have expected it to have had a closer look at the circumstances surrounding them. But I also need to keep in mind that banks such as Monzo process high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their account and questioning transactions to confirm they are legitimate.

Here, as part of the transfer process for the payments, Monzo did provide Mr M with a warning to try to protect him from being scammed on the first payment he made as part of the scam (£6,000 on 3 May 2023). But overall, having thought very carefully about this, I'm not persuaded Monzo could have deterred Mr M from making his payments even if it had probed further at the time or intervened on further transactions.

It's clear from the chats Mr M has provided us that he had obvious doubts about what he was being asked to do from an early stage; so much so that he repeatedly questioned the scammer. But he continued to make further transactions. In the chat he questions whether the scammer would meet up with him. He believes the flight details she supplied him were incomplete and that she had provided him with different dates for her flights in previous chats. He continuously advises the scammer that he doesn't have the funds to make payments. He also tells the scammer not to pressure him. He explained that she only seemed interested in his money and that he was concerned. Throughout the chats it's clear that he doesn't trust the scammer and that he is worried this might be a scam.

But it seems Mr M was determined to continue making payments despite significant reservations. Mr M seemed to be so convinced by the fraudster that he repeatedly ignored the red flags he was experiencing. When Mr M ran into problems with transferring funds from

L, he opened an account with Monzo to continue making transfers and when the funds on his first payment were returned by B, Mr M attempted smaller payments to ensure they were successful. Mr M was being guided throughout the chat on when, where and how to send his payments and shared screenshots with the scammer about the payments he was making, so I think he would have continued following her advice if he was questioned further about the payments.

The scammer had been communicating with Mr M for several months for multiple hours of the day and seemed to have a significant level of control over him. So based on the level of control the scammer seemed to have, I don't think Mr M would have revealed much around the circumstances of the payments if probed further. I think he would have taken advice from the scammer or looked for alternative ways to make payments, as he had previously done. So even if Monzo had given a more detailed scam warning or probed him further about the payments, highlighting the risks associated with an investment scam, I don't find that it would have resonated with him. And on balance, I believe he would have continued to make the payments.

So, for the above reasons, I won't be asking Monzo to do anything further.

Mr M has also requested compensation in addition to a refund of the scam payments he made. But I can't see any reason which would suggest compensation is warranted in the circumstances of the complaint as I have not found anything to suggest Monzo have acted incorrectly.

Could Monzo have done anything to recover Mr M's money?

Monzo attempted recovery of Mr M's transactions. However, they were converted into cryptocurrency and paid to the scammer. Therefore, I don't think there was any realistic possibility of recovery.

I'm sympathetic to Mr M's situation and the loss he has suffered. I realise what's happened has affected him both financially and mentally, which I'm very sorry to hear. However, for the reasons I've explained, I don't think I can reasonably tell Monzo to reimburse him.

My final decision

My final decision is that I'm not upholding Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 October 2025.

Aleya Khanom
Ombudsman