

The complaint

Miss D is being represented by solicitors. She's complaining about Monzo Bank Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss D fell victim to a cruel scam whereby someone she met online and believed she'd formed a romantic relationship with encouraged her to invest in a scam cryptocurrency trading scheme.

In June 2024, Miss D used her Monzo account to make the following payments to two cryptocurrency exchanges, after which the currency purchased was transferred to a wallet controlled by the scammer:

No.	Date	Amount £	Type
1	11 June	200	Card
2	12 June	5	Transfer
3	13 June	600	Card
4	15 June	2,000	Card
5	17 June	5,200	Card

Miss D tried to make a further large payment shortly after this, which led to Monzo blocking and ultimately closing her account.

Our investigator didn't recommend the complaint be upheld. In summary, he felt Miss D was under the spell of the scammer and that further intervention at an earlier stage wouldn't have prevented her from going ahead with the payments.

Miss D didn't accept the investigator's assessment. As she made a series of payments to cryptocurrency in quick succession, her representative argues that Monzo should have intervened sooner to ask more probing questions about their purpose and, if it had done, that the scam would have been uncovered and further losses prevented.

The complaint has now been referred to me for review.

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 reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Miss D authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Miss D.

The payments

I must take into account that many similar payment instructions Monzo receives will be entirely legitimate and I need to consider its responsibility to make payments promptly.

This notwithstanding, Monzo knew these payments were going to cryptocurrency exchanges. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time these payments took place, Monzo should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud.

Having considered what Revolut knew about the payments 1 to 4 at the time, I'm not persuaded it ought to have been concerned. The amounts involved were comparatively low and the number of payments hadn't yet reached the level where further investigation was warranted in my view. So, I can't reasonably say Monzo was at fault for processing these payments in line with Miss D's instructions.

By the time of payment 5, however, Miss D had now instructed five payments to cryptocurrency in a short period of time and the amount of this payment was much larger than those made previously. This is the point at which I believe a pattern consistent with many known types of scam had begun to emerge and when Monzo should have recognised she may be at risk of harm from fraud.

It appears Monzo did recognise this risk and one of its agents spoke to Miss D about the payment she was trying to make via the live chat function. In my view, a human interaction of this type was broadly consistent with the risks the payment presented.

During the chat, Miss D was asked about the purpose of the payment. Instead of explaining that she was making an investment, she said she had a virtual card with the cryptocurrency exchange that she used for travel. It's clear from the records of her text chats with the scammer that this is what she was told to say. After Miss D provided a screenshot from her cryptocurrency account showing it was in her name, she was allowed to make the payment.

The success of any scam intervention by a bank depends to some extent on the customer providing accurate information about the payment being made. In this case, Miss D hid the real reason for the payment and the record of her chats with the scammer, with whom her representative says she built a bond of trust and love and who appears to have been heavily influencing her actions, suggest she had no intention of doing so even if she'd been questioned further. So I think it's unlikely that further questioning from its agent would have enabled the bank to uncover what the payments were really for.

Further, the reason Miss D gave for the payment would have seemed plausible and there was no particular reason for Monzo to think it wasn't correct or to provide warnings about investment scams that might have opened her eyes to what was really going on.

I want to be clear that it's not my intention to suggest Miss D is to blame for what happened in any way. She fell victim to a cruel and sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Monzo and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Monzo could or should have done more to try and recover Miss D's losses once it was aware that the payments were the result of fraud.

Miss D transferred funds to legitimate cryptocurrency accounts in her own name. From there, she purchased cryptocurrency and moved it to a wallet address of her choosing (albeit on the scammers' instructions). If Monzo tried to recover the funds, it could only have tried to do so from her own account and it appears all the money had already been moved on and, if not, anything that was left would still have been available to her to access.

As some of the payments outlined above were card payments, I've considered whether Monzo should have tried to recover the money through the chargeback scheme. But I'd only expect it to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Miss D paid a legitimate cryptocurrency exchange and would have received a service that involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with. Her disagreement is with the scammer, not the cryptocurrency exchange and it wouldn't have been possible for Monzo to process a chargeback claim against the scammer as she didn't pay them directly.

In the circumstances, I don't think anything that Monzo could have done differently would have led to these payments being successfully recovered.

In conclusion

I recognise Miss D has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Monzo would have made a difference to the eventual outcome and I won't be telling it to make any refund.

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 Miss D to accept or reject my decision before 20 October 2025.

James Biles
Ombudsman