

The complaint

Mr M complains that Monzo Bank Ltd won't refund him the money he lost after he fell victim to an Authorised Push Payment ("APP") investment scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around December 2024, Mr M was contacted, through a well-known messaging app, about an investment opportunity. Mr M has said the person he was communicating with spoke to him over several days, offering investment advice and building his trust, before introducing him to the cryptocurrency related investment opportunity. Believing everything to be genuine, Mr M decided to invest, but unknown to him at the time, he had been contacted by fraudsters.

Between 6 December 2024 and 13 December 2024, Mr M made a number of transactions from his Monzo account in relation to the fraud. Our Investigator has laid these payments out in detail in their view, so I don't intend to list them again here. But in summary, the transactions, totalling £2,400, were made by faster payments to an account Mr M held with a cryptocurrency platform. With the funds subsequently being moved on into accounts that were controlled by the fraudsters.

Mr M was initially able to make a withdrawal of £100, but realised he'd been scammed when he was unable to withdraw any further funds. Alongside this he was suspicious that the fraudsters asked him to put more money into the investment and suggested that he take credit to fund further transactions. Mr M raised the matter with Monzo, but it didn't uphold his complaint. In summary, it didn't consider the payments made from Monzo were the scam payments, so it didn't think it was liable for the loss.

Unhappy with Monzo's response, Mr M brought his complaint to this service. One of our Investigator's looked into things, but didn't think the complaint should be upheld. In summary, she didn't think Monzo had missed an opportunity to identify the payments were being made in relation to a scam. Alongside this, she didn't think Monzo had missed an opportunity to recover the money Mr M had lost.

Mr M didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for 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.

Having thought about everything carefully, I agree with our Investigator, and I don't think Monzo is responsible for refunding the money Mr M sadly lost. I'm sorry to hear that Mr M has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him.

I note also that Mr M's advisors quoted the new Authorised Push Payment scam reimbursement rules (the reimbursement rules) which came into effect from 7 October 2024. These rules cover transactions made by 'faster payments' and to other accounts not in a customer's name. And in this case, the payments were made by faster payment to an account in Mr M's name – a scenario that means the rules don't apply in this case.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account.

It isn't in dispute that Mr M authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Monzo is aware, taking longstanding regulatory expectations and requirements into account, 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.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr M when it processed the payments, or whether it should have done more than it did. In doing so, I'm mindful that firms, such as Monzo, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) against not holding up or delaying its customer's requests.

I don't doubt the payments represented a lot of money to Mr M. But when compared with other payments that Monzo processes daily, I'm not persuaded they were of values which I think would have appeared so suspicious or unusual to Monzo, such that they ought to have alerted Monzo to the possibility Mr M was being scammed.

The payments were being made to a cryptocurrency platform, which can sometimes, but of course not always be indicative of fraud. Here, I don't think this in and of itself, in the circumstances of this case, would have been enough to alert Monzo that Mr M may have been at risk of financial harm. I say that especially as, from looking at Mr M's account activity, I can also see that he had previously made several payments to the same cryptocurrency platform.

All things considered, I don't think Monzo made an error in allowing the payments to be progressed or missed an opportunity to prevent the fraud.

I've thought about whether Monzo could have recovered any of the funds Mr M lost when it was made aware of the scam. But given the funds had been exchanged into cryptocurrency and then been moved onto accounts controlled by the fraudsters, there would have been little prospect of Monzo being able to recover any of the money Mr M sadly lost.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Mr M. It's very unfortunate that he has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for him. But in the circumstances, having carefully considered everything, I don't find Monzo could have reasonably prevented Mr M's loss here. Neither do I find there were any other failings on Monzo's part that would lead me to uphold this complaint.

My final decision

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 M to accept or reject my decision before 31 October 2025.

Stephen Wise
Ombudsman