

The complaint

Mr A has complained that Monzo Bank Limited (“Monzo”) failed to protect him from falling victim to a romance scam, and hasn’t refunded the money he lost.

What happened

I issued a provisional decision (“PD”) in February 2025 explaining why I was minded to uphold this complaint. I invited both parties to comment before I made my final decision. Mr A responded with several points, but Monzo didn’t respond.

I’ve included an extract of my PD below, followed by a summary of the points Mr A made.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr A explains that he met an individual (“the scammer”) on a dating app and after some initial messages, she asked to Mr A if they could continue their conversation in a messaging app, as opposed to on the dating app. Some time passed and during that time Mr A and the scammer spoke every day, often about daily life and their religion, which is something they had in common. When the conversation turned to employment the scammer told Mr A she was a financial advisor.

As the conversation continued the scammer told Mr A she traded in cryptocurrency as a hobby. After around five days she persuaded Mr A to try it, and she gave him confidence to do so by reassuring him she’d teach him how to be successful. The scammer directed Mr A to use an app to purchase cryptocurrency, which he says he researched on review sites and online forums and found that it was highly rated, and there was no suggestion it was related to fraud or scams.

The scammer convinced Mr A to open accounts with two platforms in order to begin investing. Mr A used the two cryptocurrency platform to purchase cryptocurrency, which he then sent on to a wallet address directed by the scammer, to an alleged investment platform. Mr A has described how the scammer showed him screenshots of the success she’d had by trading in this way, and this persuaded him to make the payments which ultimately led to his losses.

The payments Mr A made as part of the scam were as follows:

	Date	Amount	Recipient
1	8/12/2023	£150	Crypto platform R
2	9/12/2023	£2,000	Crypto platform R
3	9/12/2023	£2,000	Crypto platform R
4	10/12/2023	£4,000	Crypto platform B
5	10/12/2023	£2,000	Crypto platform R
	Total	£10,150	

Mr A says he realised he'd been scammed when he tried to withdraw his profits from the trading platform but he was told his account had been frozen. He reported the scam to Monzo, but Monzo declined to refund what Mr A had lost.

Mr A made a complaint to Monzo on the basis that it failed to identify the scam payments and warn him of the associated risks, as well as the time it took to handle his scam claim. Monzo didn't uphold the complaint related to the scam itself. It said the payments Mr A made didn't trigger its fraud detection systems, so it didn't ask him any questions or give him any warnings before the payments were made. It also said that as Mr A had made the payments to his own wallets at two different cryptocurrency platforms, the loss occurred when Mr A sent the cryptocurrency on to the fraudulent trading platform, rather than when he made the payments from his Monzo account to his own cryptocurrency wallets.

Monzo upheld Mr A's complaint point in relation to the delays in handling his scam claim, and it paid Mr A £75 compensation to recognise the trouble and upset it caused, as well as to recognise that the complaints process had taken longer than it should have.

Mr A remained unhappy so he referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that although he thought Monzo ought to have intervened before Mr A made payment four, he didn't think an intervention would've changed things in this case. Based on Mr A's conversations with the scammer, he thought it was unlikely Mr A would've been honest with Monzo, nor that a warning would've resonated with him and prevented the scam.

As Mr A didn't accept the investigator's opinion, the case has been passed to me to make a decision.

What I've provisionally 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 want to start by saying that I recognise how distressing this experience has been for Mr A. Losing a significant amount of money to fraud is incredibly difficult, and I appreciate the impact this has had on him – both financially and emotionally. I understand his frustration with Monzo and the outcome of the investigation, and I want to assure him that I've carefully considered everything he and Monzo have provided before reaching my decision.

Having done so I'm currently intending to reach a different outcome to our investigator, and to uphold the complaint. I'll explain why.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr A authorised these payments from leaving his account. It's accepted by all parties that Mr A gave the instructions to Monzo and Monzo made the payments in line with those instructions, and in line with the terms and conditions of Mr A's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

Monzo knew, or ought to have known, that the payments were being made to cryptocurrency providers. By December 2023, cryptocurrency fraud was well-documented, and many high street banks had implemented additional checks or

restrictions due to the heightened risk. Given this, I think Monzo should have recognised that this payment carried a higher fraud risk. But that doesn't mean it should've intervened on that basis alone. I'd also have expected it to take other factors into account, including but not limited to the payment values and pattern.

I think it was fair for Monzo to allow payments one and two to be made without intervening. Although they were identifiably related to cryptocurrency, they were made on different days and their values weren't such that I'd have expected Monzo to be on notice that they might've been fraudulent, or that Mr A was being scammed.

By the time Mr A made payment three I think Monzo ought to have been on notice that Mr A might've been at risk of financial harm. Although this payment was for the same value as payment two, the cumulative value of payments on the same day reached £4,000 by this point. With this in mind I'd have expected Monzo to ask Mr A further questions about the payment, with a view to providing a tailored warning, relevant to the risks identified in response to its questions, which in this case would've likely been cryptocurrency investment. I've seen nothing to suggest that Mr A wouldn't have been honest if Monzo had asked him such questions, and with this in mind, I think an effective warning at the point of payment three would've likely resonated with him and prevented the scam at that point.

Having reviewed the messages between Mr A and the scammer, I can see that the payments were described as urgent and that the scammer pressured Mr A to act quickly. The scammer also asked Mr A to send screenshots at every step to ensure the payments were made exactly as instructed. There was also a clear attempt to pre-empt any concerns Mr A might've had by warning him that banks are generally suspicious of cryptocurrency transactions, coaching him on how to respond if questioned.

Despite this, I don't think it's fair to conclude that Mr A would've misled Monzo if it had asked him questions on the reasons for the payment being made. Whilst there's a tendency to assume Mr A wouldn't have been honest based on the persuasiveness of the scammer and the cover story she provided, I haven't seen enough to persuade me that Mr A wouldn't have read and digested a warning first. Mr A has described how another bank intervened by asking questions and successfully uncovered a scam, and although I haven't seen evidence of that, I think it's likely that would've happened here too.

With all of this in mind I think Monzo ought to have intervened when Mr A made payment three, and because it didn't do that, it's responsible for the losses Mr A made from that point onwards.

Is Mr A responsible for any of his losses?

In considering whether Monzo acted reasonably in the circumstances it's also necessary to consider whether Mr A played a part. That's to say, whether his actions contributed to his loss in a way that could be considered negligent.

Mr A was inexperienced with cryptocurrency, which likely made him more susceptible to the scammer's tactics. A more experienced investor might have recognised certain red flags, but that doesn't automatically mean Mr A ignored any warning signs. Based on the evidence, I haven't seen anything to suggest that he was warned by Monzo that the payments were high risk or likely to be fraudulent.

Additionally, whilst the scammer applied pressure and created a sense of urgency, there's no indication that Mr A disregarded any obvious warnings about the legitimacy of the investment. Given this, I don't think it would be fair to say he contributed to his losses in a way that would justify making a deduction for contributory negligence.

Service provided by Monzo

I don't think the £75 Monzo has paid Mr A for trouble and upset is sufficient in this case. Monzo failed to meet its own timescales for investigating the scam, as well as the regulatory timescales for responding to Mr A's complaint.

More significantly, Mr A was clearly distressed and repeatedly reached out to Monzo for help over a period of more than two months whilst it was investigating the scam. The extensive chat history between Mr A and Monzo shows that he was on the verge of begging for assistance, yet Monzo didn't acknowledge his distress or provide any meaningful support. Instead, it continued to send Mr A template responses stating that his case was with a "specialist team" and that there was "no timescale" for resolution.

Given the prolonged uncertainty and the emotional toll this had on Mr A, I think it would be fair for Monzo to increase its trouble and upset payment from £75 to £200 to better reflect the impact of its failings.

Recovery of the funds

Monzo attempted to recover the funds when it was made aware of the scam, but the receiving bank told Monzo that all funds had been withdrawn. This is because Mr A had used the funds to purchase cryptocurrency, which he then forwarded on to the scammer. Whilst this is disappointing, there's nothing more I'd have expected Monzo to do as the funds no longer remained and were therefore not recoverable.

In response to my PD Mr A raised the following points:

- He'd provided a screenshot of the website he was using before he made payment two, which made him think it was legitimate.
- The payments were unusual for him and Monzo ought to have realised that.
- Payment two should be included in the refund because of Monzo's approval process at that point.
- As he requested interest isn't paid on the refund, he believes it would be fair and reasonable for Monzo to refund him from payment two instead of payment three.

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 considered Mr A's points, I'm not changing my decision from what I provisionally decided. I'll explain why.

I'll start by explaining that I agree that the activity was unusual for Mr A, as set out in my PD, and as demonstrated by the fact I've upheld his complaint.

Whilst Mr A says he provided a screen shot of the website he was using to invest in before he made payment two, the evidence I have suggests this was done on 10 December 2023, so this was before he sent either payment four or five. As I've already decided Monzo needs to refund those payments, the screen shot doesn't affect this part of my decision.

Finally, I understand Mr A's request for me to reconsider the point from which Monzo should refund him, given his decision not to accept interest due to his beliefs. But I won't be asking Monzo to refund Mr A from an earlier point in the payment chain.

The point at which Monzo is required to provide a refund was carefully considered in my provisional decision. I set out clear trigger points, explaining why I considered it fair and reasonable for the refund to be made from payment three onwards. This trigger point was based on the bank's actions, the warning signs that should have prompted intervention, and

the circumstances surrounding the payments. My findings remain unchanged, and I'm satisfied that this is the appropriate point from which the refund should apply.

It is Mr A's personal choice not to accept the interest payment, and I'm unable to ask Monzo to compensate him in a different way to offset the money he's choosing to forgo. That wouldn't be fair or in line with the reasoning in my decision. My role is to reach an outcome based on what's fair and reasonable in the circumstances, and I can't adjust my findings to circumvent Mr A's own decision about the form of compensation he is willing to accept.

As a result, my final decision remains in line with my provisional findings.

Putting things right

To put things right I require Monzo to:

- Refund the money Mr A lost in the scam from (and including) payment three, and:
- Pay an additional £125 in compensation to reflect the impact of its poor handling of the scam claim, and the complaint.

My final decision

I uphold Mr A's complaint and require Monzo Bank Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 April 2025.

Sam Wade
Ombudsman