

## The complaint

Miss B complains that Monzo Bank Ltd didn't do enough to protect her when she fell victim to a cryptocurrency investment scam.

## What happened

Miss B contacted a friend through social media after seeing their posts about success in cryptocurrency investing. They explained they could help her make money too and guided her with how to do this. After a few weeks, Miss B was asked to pay a number of fees to withdraw her funds and she realised she'd been scammed. She then found out her friend had been hacked.

Miss B complained to Monzo about the payments, but it didn't agree to refund her, so she came to our service. Our Investigator partially upheld her complaint. Monzo disagreed and asked for an Ombudsman to review the case.

I issued a provisional decision on this case in February 2025. My provisional findings were as follows:

*Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Monzo ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.*

*Monzo didn't provide Miss B with any warnings on her payments to this scam. Considering when they were sent and the values involved, I'm persuaded that Monzo ought to have identified that Miss B was at risk of financial harm from fraud when she was making payments on 12 September 2023. It should have done more to establish the circumstances surrounding the first payment she made to this scam that day for £3,600. It ought to have asked her questions and used her answers to provide her with a better automated warning, tailored to her answers and the common scam risks associated with this.*

*Where something didn't happen that should have, I'm required to make this decision based on the balance of probabilities; that is, what I find is more likely than not to have happened if things had gone as they should. I've carefully considered all of the available evidence. But having done so, I'm not persuaded that a better intervention with more questioning and a scam warning tailored to Miss B's answers would've made a difference here. I'll explain why.*

*I can see from the scam chat that Miss B was willing to select friends and family for the payments she attempted on another platform, even though this wasn't exactly the case. She didn't believe she was paying her friend, but his contacts. I can see from all the chat we have that she trusted the scammer and was genuinely convinced she was speaking to her friend, who she'd known for some time and had a personal relationship with.*

*Considering the information Monzo held, even if Miss B had selected an option relating to paying friends and family, it still should've provided her with a cryptocurrency investment related warning. And as she did believe this was a genuine investment venture, I can accept it's likely she would've selected a cryptocurrency investment option – as the choices Monzo gave her would've been very different to the other platform. But I'm not persuaded that the warning it then showed would've resonated with Miss B.*

*The common scam tactics I'd expect Monzo to have highlighted for a cryptocurrency investment scam relate to celebrity endorsements; the use of screen sharing software; an unregulated broker; and unexpected contact from someone on social media. None of these applied to Miss B. She initiated contact with her friend about investing after seeing the hacker's posts on his social media account. And none of the other common features of these scams applied here, excluding the promise of high returns. But considering the relationship Miss B had with her friend and that she believed it was him – and he had genuinely received these returns, purchasing a car with them, I'm not persuaded this point alone would've concerned her.*

*I also say this because even when Miss B realised this was a scam, she still believed that it was her friend speaking to her. She messaged someone close to him letting them know about the conversations they'd been having, both in relation to the scam investment and in the past. So I'm satisfied Miss B was convinced this was genuinely her friend and someone she could trust.*

*Our Investigator concluded that Monzo ought to have been further concerned about financial harm on a later payment on 12 September 2023 and spoken to Miss B about what she was doing at that time. But I can't agree this was proportionate.*

*While Miss B does make a number of payments on 12 September, they are spaced out, not individually of high values and the total amount spent that day is not so high I'd expect a human intervention. I think Monzo ought to have used its systems to question Miss B again and to provide another better automated warning based on her answers. But for the reasons above, I'm not persuaded this would've then unravelled the scam.*

*As Miss B paid a legitimate cryptocurrency provider these funds and received the service paid for, I don't consider Monzo was wrong not to pursue a chargeback claim in this case.*

*Whilst Miss B has undoubtedly been the victim of a cruel scam, I can only uphold her complaint if I'm satisfied Monzo's failings made a material difference to what happened. For the reasons given, I'm not persuaded they did in this case.*

Monzo accepted the provisional decision. Miss B's representative disagreed and asked us to provide the specific bits of evidence I'd relied upon to reach my decision. It also said that it considered that if Monzo had warned Miss B about cryptocurrency scams, this would have resonated with her and she wouldn't have gone ahead.

I considered whether we needed to share anything further with Miss B's representatives at this stage, but the evidence I relied upon was provided by them. As it's therefore clear they already hold all this information, our Service does not need to provide it again and so I'm satisfied this case is ready 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.

I've reconsidered Miss B's and the further comments made in response to my provisional decision. But these don't change my outcome. I'll explain why.

I set out why I considered the majority of the common features I would've expected in a cryptocurrency scam warning didn't apply to Miss B's situation. Her representative has said that some features would/could have resonated, such as advice to check the FCA register; to check contact details; and about being cautious of high returns. And that Miss B would've conducted further research and not continued with the investment. But in its complaint letter to Monzo and our Service, Miss B's representative mentioned Miss B's trust in the scammer and her belief this was genuine, including setting out:

*"Cryptocurrency and companies offering similar services are mostly unregulated in the UK, meaning [Miss B] struggled to conduct any due diligence checks. As [Miss B] believed it was her friend she was speaking to, [Miss B] felt confident this was a genuine opportunity."*

It didn't clearly explain in its response to my provisional decision why it now considers, despite the confidence Miss B had and the research she'd already attempted, that she would've repeated this process rather than simply continuing or discussing the warning with her friend. We can see from the scam chat available she shares screenshots at different times during the scam, including when she has trouble with payments on another platform.

As I set out in my provisional decision, I agree with Miss B's representative that she would've felt confident about what she was doing. She genuinely believed she was speaking to her friend, and he'd received the returns stated. She'd also asked him about the legitimacy of the venture a few times already. She also hadn't found negative information about the trading platform and thought she had a personal referral to it. And I maintain that a lot of the common scam features I'd expect to be set out wouldn't apply to her. So, I'm not persuaded she'd have read a warning and thought she could be in the scam situation described.

As above, where something didn't happen that should have, I'm required to make this decision based on the balance of probabilities. And in this case, I consider it's more likely Miss B would've gone ahead with the investment, due to her perceived personal relationship with the scammer, so she wouldn't have had enough concerns after reading a proportionate warning to realise this did apply to her and she was falling victim to this kind of scam.

Miss B's representative also responded and said there was no evidence of her misleading Monzo or that she had any intent to mislead Monzo. I concluded she would've been honest with Monzo that she was investing in cryptocurrency. So it's unclear what relevance this statement has to the provisional decision reached. But for the reasons set out above, including in my provisional findings, I'm not persuaded that a proportionate intervention by Monzo would've prevented the losses in this case.

## **My final decision**

For the reasons set out above, I don't uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 15 April 2025.

Amy Osborne  
**Ombudsman**