

## **The complaint**

Mr F complains that Monzo Bank Ltd won't refund him the money he lost after he fell victim to an 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 August 2024, Mr F saw an advert on a well-known social media platform, regarding an investment opportunity. He expressed an interest and was then added to a group chat on a messaging platform. He could see others commenting on profits they were making, which he said enticed him to get involved. Believing everything to be genuine, Mr F decided to invest, but unknown to him at the time, he had been contacted by fraudsters.

Between August 2024 and November 2024, Mr F 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 just under £6,000, were card payments and saw Mr F moving money to an account he held with a cryptocurrency platform. With the funds seemingly then being transferred into accounts that were controlled by the fraudsters.

Mr F realised he'd been scammed when he was no longer able to access a trading platform he had been given access to and contact with the fraudster was lost.

Mr F raised the matter with Monzo, but it didn't agree to uphold his complaint. It didn't think it was liable, as it said Mr F had made the payments from Monzo into another account registered in his own name. It said it was the onward payment from the other account that had resulted in the loss.

Unhappy with Monzo's response, Mr F 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 F had lost.

Mr F 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 F sadly lost. I'm sorry to hear that Mr F 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.

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 F 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 F 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 F. 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 F was being scammed.

The payments were all of values that, in isolation, I wouldn't consider ought to have caused Monzo to provide further warnings, prior to processing. Alongside this, I've reviewed the frequency of the payments and can see they were made over a number of months and although, on a couple of occasions, they were close together, I still wouldn't have expected that to have caused Monzo concern. I'm also mindful, from looking at Mr F's account statements for the months leading up to the scam, there were other transactions of not dissimilar amounts.

I acknowledge the payments were identifiably being made to a cryptocurrency platform. This can sometimes, but of course not always, be indicative of fraud. There are many legitimate payments made to cryptocurrency providers and I don't think this, in and of itself, in the circumstances of this case, would have been enough to alert Monzo that Mr F may have been at risk of financial harm.

So, considering what Monzo knew at the time, on balance, I don't think I can fairly or reasonably say that the payments ought to have stood out as being unusual. I don't think Monzo could reasonably have foreseen that the transactions would cause Mr F harm, and so I don't think Monzo could reasonably have been expected to intervene here.

I'm mindful that Mr F has said he was vulnerable at the time the payments were made. I recognise that Mr F has fallen victim to a scam, and I was sorry to hear of the challenging personal circumstances and difficulties that Mr F has been faced with. But I haven't seen anything to suggest that Monzo were made aware of any vulnerability factors or ought to have identified them, such that it should have known to take additional steps to protect Mr F.

I've considered whether Monzo did all it could to recover the money Mr F lost, once it was aware of the scam. Specifically, here, I've considered whether the chargeback process was an option for Mr F. A chargeback is a voluntary scheme run by card scheme providers. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the scheme

and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid.

From the evidence I've seen the records show the payment went to a genuine cryptocurrency exchange firm. The service provided by the firm would be to convert the money into cryptocurrency. The merchant Mr F paid provided the service asked for, therefore there are no chargeback rights under the scheme - albeit I accept Mr F wouldn't have been aware that he was sadly falling victim to a scam at the time he made the payments. Overall, I don't think Monzo acted unfairly by choosing not to raise chargeback claims on Mr F's behalf.

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 F. 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 F'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 F to accept or reject my decision before 27 November 2025.

Stephen Wise  
**Ombudsman**