

The complaint

Mr A is complaining that Monzo Bank Ltd won't refund a payment he said he didn't make.

The complaint is brought on his behalf by a professional representative but for ease I'll mainly refer to Mr A here.

What happened

The circumstances are known to both parties so I'll only summarise them briefly.

In December 2023 Mr A was contacted by someone ("the scammer") who said he could recover funds Mr A had previously lost to a scam.

Mr A had telephone conversations with the scammer and he says that during those conversations he gave the scammer his card details and information about his account with Monzo.

At around 9.30am on 15 December 2023 an international transfer of £2,800 was made from Mr A's account with Monzo to a third party. The payment was made through a money transfer service. Mr A says he didn't know about this payment, and he didn't authorise it.

Mr A reported what happened to Monzo. But Monzo didn't agree to reimburse the payment to Mr A. It attempted to recover the payment but it was unsuccessful.

Mr A brought a complaint to Monzo and then to the Financial Ombudsman Service. Our investigator didn't uphold Mr A's complaint. He concluded it was most likely that Mr A had authorised the payment. And he didn't think Monzo ought to have found the payment unusual or suspicious, such that it ought to have intervened before allowing it to be made. So, he didn't think Monzo needed to do anything else to resolve Mr A's complaint.

Mr A didn't agree, so his complaint has been passed to me for review and a 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 done so I'm not upholding Mr A's complaint. I'll explain why.

Did Mr A authorise the payment?

The relevant law here is the Payment Services Regulations 2017 – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments, and the business is responsible for unauthorised payments. Mr A disputes authorising the payment, so I'll address this point first.

The PSRs specify that authorisation depends on whether a payment transaction is

authenticated correctly – and whether Mr A, or someone acting on his behalf, consented to it.

The PSRs go on to specify how consent is given. It must be in the form, and in accordance with the procedure, agreed between Mr A and Monzo. I've reviewed the terms of Mr A's account with Monzo and they say that to make a payment by transfer, a customer must enter the recipient's name, account number and sort code, and the account type. They also say a customer consents to making the payment by doing one of the following:

- *Enter your PIN.*
- *Enter a security code.*
- *Prove it's you with fingerprint or facial recognition.*

Mr A hasn't given us much information about how he thinks the scammer gained access to his Monzo account to make this payment, but he does say he gave the scammer details of his Monzo account and card expecting a payment to be made into his account.

Monzo says the payment was made via its app in accordance with Mr A's instructions and so it considers that it was authorised by Mr A. And it's provided evidence that a trusted device that was already linked to Mr A's Monzo account was used to access Monzo's app and set up this payment instruction. Mr A had been using this device since July 2022 and he continued to use it after the disputed payment had been made, and there's no suggestion it didn't remain within Mr A's control throughout. I've not seen anything to suggest Mr A's device was remotely accessed. And the app can only be accessed using Mr A's biometrics on his device, or by entering a passcode as outlined above.

I can also see that shortly before the disputed payment funds were moved into Mr A's account using a method he'd used to move funds into his Monzo account before. So, it seems he was expecting a payment to be made and moved funds into his Monzo account accordingly. The money transfer service used has also confirmed that the transfer reference number is linked to Mr A's account with it.

I do appreciate how frustrating this must be for Mr A when he feels that this isn't what happened - but I must make my decision based on the available evidence I have. And from that evidence it does appear that Mr A made this payment himself by accessing Monzo's app from his own trusted device – albeit he was tricked into doing so by the scammer. So, I think it was reasonable for Monzo to consider the payment instruction to be genuine and to process the payment. As such, it's reasonable for Monzo to treat the payment as having been authorised and it's not obliged to provide a refund.

Should Monzo have recognised the scam and intervened?

I've concluded that the payment was authorised, so I've gone on to consider if Monzo should have done anything to prevent the payment Mr A made to the scam.

When a payment is authorised, Monzo has a duty to act on the payment instruction. But in some circumstances, it should take a closer look at the circumstances of the payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that Monzo processes high volumes of transactions each day.

There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I don't think this payment would have looked particularly unusual or suspicious to Monzo, such that it ought to have identified that Mr A was at risk of financial harm from a scam and intervened. Its value wasn't significant in the context of transactions Monzo processes daily, and although it was higher than payments Mr A had made from his Monzo account before, it wasn't significantly so that I'd expect Monzo to have had any particular concerns about Mr A falling victim to a scam. So, I don't think Monzo ought to have done anything to prevent Mr A from making the payment here.

Could Monzo have done more to recover the payment?

Mr A reported what had happened to Monzo within a few hours of making the payment, but Monzo didn't attempt to recover it until five days after this, when Mr A contacted it again.

This payment was made to a money transfer service before it was converted into Euros and moved on to the recipient's account which was held overseas. When Monzo contacted the money transfer service, it confirmed that it had passed the funds to the recipient's account with an Electronic Money Institution (EMI) shortly after it received them, but it doesn't appear to have attempted to contact the recipient EMI to try to recover the funds. In these circumstances I don't think there was a clear mechanism for Monzo to have attempted to recover the payment directly from the recipient EMI which was likely to have been successful. So, while I think Monzo could have acted to attempt to recover the payment more quickly, I can't reasonably conclude that the outcome would have been any different.

Conclusion

I'm sorry to disappoint Mr A as I can see that he feels strongly about what's happened here. But I've not found that there are any grounds for me to direct Monzo to refund the disputed payment to him.

My final decision

My final decision is that I'm not upholding Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 November 2025.

Helen Sutcliffe
Ombudsman