

THE COMPLAINT

Mrs A complains that Monzo Bank Ltd (“Monzo”) will not reimburse her money she says she lost when she fell victim to a scam.

Mrs A was represented by CEL Solicitors (“CEL”) in this matter. However, where appropriate, I will refer to Mrs A solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mrs A says she has fallen victim to two cryptocurrency related investment scams. She says fraudsters deceived her into making payments to what she thought were legitimate investments. The card payments in question were all made to Simplex (neither party has disputed the table of transactions the investigator set out in their findings):

Payment Number	Date	Amount
1	16 June 2024	£500.00
2	23 August 2024	£1,938.72
3	23 August 2024	£1,280.84
4	29 August 2024	£76.97
5	29 August 2024	£193.10
6	29 August 2024	£231.48
7	30 August 2024	£386.98
8	02 September 2024	£201.24
9	15 September 2924	£250.00

10	23 September 2024	£440.00
11	23 September 2024	£200.00
12	26 September 2024	£1,000.00
13	05 October 2024	£500.00
14	06 October 2024	£300.00
15	08 October 2024	£300.00
16	12 October 2024	£210.00
17	15 October 2024	£200.00

**Although not initially disputed by CEL, Payment 1 is part of the first scam according to Mrs A.*

Mrs A disputed the above with Monzo. When Monzo refused to reimburse Mrs A, she raised a complaint, which she also referred to our Service.

One of our investigators considered the complaint and did not uphold it. As Mrs A did not accept the investigator's findings, this matter has been passed to me to make a decision.

WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Key findings

- Like the investigator, I am satisfied that Payment 3 was an out of character payment which should have triggered Monzo's fraud detection systems. I say this given the value of Payment 3, especially when taken together with Payment 2 which was made

on the same day. I have also taken into account the fact that the transactions would have likely appeared cryptocurrency in nature to Monzo.

- I am satisfied that a proportionate intervention to the aggravating features surrounding Payment 3 would have been for Monzo to have provided Mrs A with an automated 'better' scam warning tailored to the likely cryptocurrency related scam she was at risk from. For example, Monzo should have done this by asking Mrs A a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment transaction she was making. Monzo failed to do this.
- However, I am not satisfied that if Monzo had carried out such an intervention it would have made a difference in the circumstances. I take the view that, on the balance of probabilities, it is unlikely Mrs A would have heeded the automated warning described above. I have reached this conclusion by taking the following points into account which demonstrate how under the scammer's spell Mrs A was:
 - Mrs A's then representatives, CEL, submitted several reasons as to why Mrs A believed, "... *the investment opportunity was legitimate.*" Some of those reasons include the professionalism of the trading platform, profits Mrs A could see, and the background checks she had carried out.
 - By way of telephone calls on 20 and 23 October 2024, Mrs A spoke to Monzo about her account activity, particularly around her payments to Simplex. In those calls, Mrs A explained to the Monzo agent that Payment 1 was in relation to one scam, and Payments 2 to 17 were in relation to a second scam.
 - Although these calls took place after Mrs A's payments, they are very important. I say this because they provide some insight into Mrs A's state of mind at the time of the scams. For example, during the call, Mrs A was very much convinced that she was making payments to a genuine investment. She even informed the Monzo agent that her transactions from Payment 2 were going towards a legitimate investment – one in which she was waiting to receive profits from shortly. It was not until the agent properly explained the situation to Mrs A that she realised she had been scammed. Before this point, she believed the investment was genuine.

Taking all the above points together, they suggest that had Monzo intervened in Payment 3 by providing an automated warning, it is unlikely Mrs A would have heeded this. The above points clearly show that Mrs A was very much under the spell of the scammer at the time she was making her payments. I am not persuaded that an automated warning would have broken the spell the scammer's had woven.

Other points

- I am not satisfied that Mrs A's payments other than Payment 3 should have triggered Monzo's systems. I say this given the lack of any significant aggravating features surrounding Mrs A's other payments – particularly around the value of them. In any event, even if it could be argued some of these payments should have triggered, I would have only expected Monzo to have presented Mrs A with an automated written warning. Had it done so, I find that Mrs A would have likely responded the same way I have set out above regarding an intervention in Payment 3.

- Turning to recovery, the service of purchasing cryptocurrency/exchanging funds into cryptocurrency – is not covered under the chargeback scheme concerned in this matter. This is because the exchanges in question provided their services as intended. This also applies to any payment processor involved, as they would have carried out their services as intended when transferring funds. For these reasons, I find that any chargeback claim in this matter had little chance of success under the relevant chargeback scheme. It follows that I would not have expected Monzo to have raised one on behalf of Mrs A.
- CEL submitted that Mrs A was vulnerable to the scam because she was experiencing financial hardship at the time. I am not persuaded that Monzo knew or ought to have known about Mrs A's personal issues at the time. Therefore, I do not find that Monzo should have dealt with Mrs A's payments any differently in this regard.

Conclusion

Taking all the above points together, I do not find that Monzo has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Monzo to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 28 October 2025.

Tony Massiah
Ombudsman