

## **The complaint**

Mr N complains Monzo Bank Ltd won't refund the full amount of money he lost to a scam.

## **What happened**

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr N complains that he sent several payments to what he thought was a legitimate cryptocurrency investment. When Mr N didn't get his money back, he raised a complaint with Monzo.

Monzo looked into the complaint but didn't uphold it. Mr N remained unhappy, so he brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. She didn't think Monzo could have prevented the scam, as she found it did intervene on the first payment Mr N sent and asked him questions about the payment purpose - but Mr N wasn't accurate with his responses. Our investigator also didn't think Monzo could have recovered the money.

As Mr N didn't agree with the investigator's view, the complaint has been passed to me to decide.

## **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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I've thought carefully about whether Monzo treated Mr N fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr N's complaint. I know this will come as a disappointment so I will explain below why I've reached the decision I have.

I have kept in mind that Mr N made the payments himself and the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr N did not intend for his money to ultimately go to fraudsters – but he did authorise these payments to take place. However, there are some situations when a

business should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

So, I've thought about whether the transactions should have highlighted to Monzo that Mr N might be at a heightened risk of financial harm due to a fraud or scam.

Given the value and identifiable risk at the time payment one was made, I'm satisfied Monzo should have intervened at this point. The payment was of a value that I think ought to have concerned Monzo and it was going to a known cryptocurrency provider. So, I'm satisfied this should have alerted Monzo to the possibility Mr N was at risk from financial harm.

Here a proportionate intervention would have been asking Mr N a series of questions to get a better understanding of the payment purpose. Then based on the answers given, provided a warning-based on the scam risk identified. Here though I'm not persuaded any type of intervention would have made a difference or prevented Mr N from making the payments. I'll explain why.

Monzo did intervene on payment one and spoke to Mr N on the telephone to get more information about the payment. Although Mr N answered some of the questions accurately, he wasn't forthcoming with where he found out about the investment opportunity, or that someone was guiding him on the payments he was making.

Instead, Mr N reassured Monzo that he was comfortable with what he was doing and mentioned his background in trading in financial products. Had Mr N mentioned that he had been contracted out of the blue on a messaging service, and he was being guided on where to send his money, I find it most likely these would have raised red flags to the advisor he was speaking to.

Mr N did mention the website he was using, and both he and Monzo looked into it and both thought it looked legitimate.

The Monzo advisor asked a suitable number of relevant questions and Mr N didn't give any answers that raised any red flags with the advisor, and I can see why given what he said.

Monzo relies on its customers to provide accurate answers to the questions it asks and as Mr N didn't disclose the full facts about how the scam had started, he denied Monzo the opportunity to uncover the scam.

Monzo also gave Mr N several links to educational articles to safeguard him from cryptocurrency investment scams. The link to the Financial Conduct Authority article lists a number of characteristics of the scam Mr N was falling victim to - Mr N had been contacted unexpectedly and was being pressured to invest quickly. Despite these warnings, Mr N still made the payments.

I've also not seen anything that has convinced me Mr N would have answered any differently had any further interventions happened. Having looked at the chat with the scammer, although Mr N had lost some money (which given the experience he said he had with trading forex markets, I find he was most likely he was aware could happen) he doesn't appear to have any concerns with the legitimacy of what he is being told to invest in.

As Mr N transferred the money to wallets in his own name, no recovery would be possible.

Therefore, due to the reasons I have outlined above, I don't think Monzo could have prevented Mr N's losses.

**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 N to accept or reject my decision before 27 November 2025.

Tom Wagstaff  
**Ombudsman**