

The complaint

Mr A complains that Monzo Bank Ltd has unfairly refused to refund his losses after he fell victim to a scam.

What happened

Mr A sent money from his Monzo account to various cryptocurrency merchants. From there, it was forwarded on as part of the investment he understood he was making. Mr A realised he had been scammed when the business he invested with, shut the app he was using and he couldn't access his money.

Mr A made the following disputed payments:

Date and time	Merchant	Type of transaction	Amount
10 November 2023	B – cryptocurrency merchant	Card payment	£100
21 November 2023 - 21:20	M – cryptocurrency merchant	Card payment	£505.20
21 November 2023 – 21.30	M – cryptocurrency merchant	Card payment	£75
21 November 2023 - 22:10	M – cryptocurrency merchant	Card payment	£1,761.33
22 November 2023 -07:24	M – cryptocurrency merchant	Card payment	£230.39
		Total	£2,671.92

Our investigator didn't uphold Mr A's complaint. She explained that Monzo could not consider the disputed card payments under the Contingent Reimbursement Model (CRM) Code.

Our investigator didn't think the payments should have appeared unusual or suspicious to Monzo. They were made to legitimate merchants and were relatively low in value. So, she wouldn't have expected the transactions to trigger further checks by Monzo.

Our investigator agreed that the level of service which Mr A received from Monzo when investigating his complaint could have been higher. But she thought the £75 compensation payment it made to Mr A was fair.

Mr A disagreed with the investigation outcome. He said that another bank already compensated him for the same scam, so he questioned why Monzo would not do the same. Our investigator followed up with Mr A's other bank. It said it refunded a disputed transaction but that Mr A didn't raise a scam claim.

As Mr A didn't agree with the investigation outcome, the complaint came to me to make a final decision. After considering the complaint, I reached a different conclusion to our investigator about the delays Mr A encountered when dealing with Monzo. To give the parties the opportunity to respond, I issued a provisional decision on 15 April 2025 in which I said the following:

In deciding what's fair and reasonable in all the circumstances of a complaint, I am required to consider relevant: law and regulations; regulators' rules, guidance, and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

Delays dealing with the disputed payments

This is where I am minded to award Mr A more compensation than Monzo has paid so far. Mr A raised his concerns about the transactions with Monzo in late November 2023 but didn't receive a final response until early April 2024. During this time, Mr A chased Monzo for updates but didn't receive any meaningful responses. And Monzo failed to tell Mr A that once the eight weeks response time had passed he could bring his complaint to our service.

I can appreciate that Mr A found the delays frustrating and it meant that he had to spend more time than he otherwise should have contacting Monzo. While I am not upholding Mr A's complaint about the payments itself, I think that it let him down in the way that it handled his concerns about them. And I am not persuaded that £75 compensation adequately reflects the impact of this delay on Mr A.

Taking account of the guidance which can be found on our website, I think an award totalling £150 is a fairer reflection of the frustration and inconvenience caused to Mr A. It's within the range of an award we might make where the mistake has taken a reasonable amount of effort to resolve. For the avoidance of doubt – this includes the £75 already paid by Monzo. So, if Mr A accepts my decision, Monzo would need to pay him a further £75.

The disputed payments

The CRM Code doesn't apply in this case because it does not cover card payments.

I am sorry to hear that Mr A has been the victim of a scam. While he never intended his money to end up with a scammer, he authorised the payments – and so is presumed liable in the first instance.

In broad terms, the starting position at law is that a bank, such as Monzo, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. And I have taken this into account when deciding what's fair and reasonable in this complaint.

That said, as a matter of good practice, Monzo should have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a

balance to be struck: banks like Monzo need to be alert to fraud and scams and to protect their customers from fraud, but they can't reasonably be involved in every transaction.

Considering the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Monzo should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so, given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example, the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers when deciding whether to intervene.

So, I need to decide whether Monzo acted fairly and reasonably in its' dealings with Mr A when he authorised payments from his account or whether it could and should have done more before processing them.

In this case, I am mindful that Mr A didn't have an existing relationship with Monzo as he opened the account shortly before the first transaction. This means that Monzo didn't have an understanding of Mr A's normal spending patterns.

I am sorry to disappoint Mr A but I would not have expected the disputed card payments to have prompted Monzo to intervene. I say this as the payments were made to legitimate merchants for modest amounts. Although multiple payments were made on 21 November 2023, the cumulative value was not so high to have seemed suspicious. There wasn't a pattern of increasing payments, as while Mr A made some higher value transactions, there were also lower value payments. And payments made to cryptocurrency accounts aren't always made because of a scam.

I appreciate that Mr A thinks his other bank took a different approach to a payment he made as part of the same scam. He also says that other customers have received refunds in similar circumstances. However, I need to consider each complaint individually and for the reasons outlined above, I don't consider Monzo had any reason to intervene in the payments he made to the cryptocurrency merchants.

I realise that my decision will be disappointing for Mr A who was cruelly tricked into placing his trust in the scammer. But I can't fairly say that Monzo could have prevented his loss, so I don't ask it to refund any of the payments he made.

Further submissions

Monzo accepts my provisional decision but Mr A does not. He doesn't think that £150 compensation is sufficient for the delay. Mr A asks that I look at other cases where banks quickly refunded their customers after they were the victims of a scam. Mr A says that 18 months later, he will only receive £150 for a loss that exceeds £2,500.

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 appreciate that Mr A doesn't think £150 is fair compensation for Monzo's delay. But for the reasons I outlined in my provisional decision, I think it is a fair award to make.

Although Mr A points to other successful scam complaints, I need to make my decision based on each individual complaint. I remain of the view that Monzo didn't have a reason to intervene in the payments Mr A made as part of the scam. So, I don't require Monzo to refund any of the disputed transactions. My award of compensation is purely for the frustration caused to Mr A when Monzo delayed dealing with his concerns about the transactions. I have not found that the delays led to Monzo not refunding the payments. So, the fact that Mr A lost over £2,500 is not tied to the amount of compensation I have awarded for the delay.

Overall, I find it reasonable to make my final decision along the same lines as my provisional decision.

My final decision

My final decision is that I uphold this complaint and require Monzo Bank Ltd to pay Mr A a total of £150 compensation from which it can deduct any compensation already paid for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 May 2025.

Gemma Bowen
Ombudsman