

The complaint

Mr O complains that Monzo Bank Ltd won't refund the money he lost when he was the victim of a scam.

What happened

Sometime before September 2022, Mr O saw an advert for an investment company on a social media platform. He clicked on the link and was then contacted by someone who said they worked for the investment company and would manage his investment for him.

Mr O was told his funds would be invested in a number of commodities. He was shown how to purchase cryptocurrency and sent it on to the investment company, and given access to the company's trading platform where he could see the funds he had invested and the profit it showed he was making.

And Mr O then made a number of payments from his Monzo account towards the investment – either to cryptocurrency exchanges to purchase cryptocurrency which was sent on to the company, or to accounts he held with other banks and then on to the investment from there.

I've set out the payments Mr O made from his Monzo account below:

Date	Details	Amount
1 September 2022	To 1 st account with other bank	£1,000
1 September 2022	To 1 st account with other bank	£1,000
1 September 2022	To 1 st account with other bank	£1,000
1 September 2022	To 1 st account with other bank	£1,000
1 September 2022	To 1 st account with other bank	£1,000
27 September 2022	To 1 st cryptocurrency exchange	£5,000
4 October 2022	To 1 st cryptocurrency exchange	£5,000
12 October 2022	To 2 nd cryptocurrency exchange	£5,000
13 October 2022	To 3 rd cryptocurrency exchange	£5,000
24 October 2022	To 3 rd cryptocurrency exchange	£10,000
5 November 2022	To 2 nd account with other bank	£3,000
6 November 2022	To 2 nd account with other bank	£4,000
8 November 2022	To 2 nd account with other bank	£3,000
30 November 2022	To 2 nd account with other bank	£5,000
1 December 2022	To 2 nd account with other bank	£5,000
4 December 2022	To 3 rd account with other bank	£10,000

Unfortunately, we now know the investment company was a scam. The scam was uncovered after the balance showing on Mr O's account on the company's trading platform reduced significantly. Mr O says the company then pressured him to invest further and became hostile when he questioned what was happening. And when Mr O refused to invest further, the company cut off communication. Mr O then realised he had been the victim of a scam and reported the payments he had made to Monzo.

Monzo investigated but didn't agree to refund the money Mr O had lost. Mr O wasn't satisfied with Monzo's response so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think anything we would have expected Monzo to have done would have prevented the loss Mr O suffered. So they didn't think it should have to refund the money he lost. Mr O disagreed with our investigator, so the complaint has been passed to me.

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.

Banks are expected to make payments in line with their customers' instructions. And Mr O accepts he made the payments here. So while I recognise he didn't intend for the money to ultimately go to scammers, he did authorise the payments. And so the starting position in law is that Monzo was obliged to follow his instructions and make the payments. So Mr O isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, I think Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 account providers 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.

But, even if Monzo had identified that Mr O was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented his loss. I'll explain why below.

I'm satisfied Monzo ought to have identified that Mr O was at heightened risk of financial harm from fraud by at least the point he tried to make the payment for £5,000 on 27 September 2022. This payment was for a significant amount, and was made immediately following a credit into the account for the exact same amount – which matches a pattern of payments often seen when customers are falling victim to a scam.

I think a proportionate response to the risk I think Monzo should have identified at this point would have been for it to carry out some sort of human intervention with Mr O to attempt to establish the circumstances surrounding the payment, before allowing it to debit his account. But, had it done this, I'm not satisfied it would have prevented Mr O's loss.

Monzo did stop and contact Mr O about a later payment he tried to make as a result of this scam. It initially messaged him to explain it had blocked the payment to try to protect him from scams and needed to carry out some checks to make sure his money was safe. It said

the cryptocurrency company he'd said the payment was going to had a low rating on an online review platform. And it explained scammers may tell you to lie to your bank if the payment is blocked and guarantee returns on investments.

Monzo then asked Mr O several questions about the payment and, following his answers, said it would call him due to the concerns it had.

I've listened to a recording of the call Monzo subsequently had with Mr O. In it, Monzo initially asks whether Mr O has been asked to download any apps onto his phone or computer. But, despite telling our service he was told to download remote access software by the investment company, Mr O tells Monzo that he hasn't been asked to download any apps.

Monzo then again explains that scammers will sometimes ask victims to provide their bank with false reasons about a payment they're making, and that it has researched the cryptocurrency company Mr O has said he is sending the payment to and has strong reasons to believe they are scamming people.

Mr O is then asked why he thinks the cryptocurrency company is genuine and, despite telling our service he had only been investing with the investment company for around two months at this point, he tells Monzo he has been investing for six months. Mr O also then tells Monzo that he was recommended the investment by a friend of his who has been dealing with it for years – despite telling our service that he found the investment from an advert online.

In the call, Mr O then refuses to answer any more questions about the payment and his investment, and says that he's not making the payment anymore and just wants to close his Monzo account and transfer his money to another bank.

From what I've seen of his communication with the investment company, Mr O was told not to tell his banks about the company and just to say he was transferring funds to a cryptocurrency exchange to buy cryptocurrency. And he was also told to say he was purchasing the cryptocurrency for himself and that he'd used the exchange before so it's something he already trusts. So as Monzo warned him that scammers may tell victims to lie to their banks about payments, I think this warning should have resonated with him. And as Mr O appears to have given Monzo incorrect information about the investment, he appears to have been willing to follow the investment company's instructions to do so.

So even if Monzo had asked more probing and in-depth questions about the payments he was making here, I think Mr O would likely not have given it accurate or complete information about the purpose or circumstances surrounding them – as happened with the questions he was asked. And I don't think any warnings I would have expected Monzo to have shown him following the answers it got from those questions would have impacted his decision to continue making the payments – as the warnings Monzo did give him did not. So I don't think anything I would reasonably have expected Monzo to have done here would have stopped Mr O from making the payments or losing the money he did.

Mr O has said that he had already experienced difficulty in making payments from his Monzo account by the time it called him and that, if Monzo had intervened earlier, he would have been more open to discussion about the payments and potential scams. But from his communication with the investment company, Mr O had been being told to mislead his banks before I would have expected Monzo to intervene here, and he appears to have been willing to do so. And he had already made a number of payments to and from a number of other banks following the investment company's instructions. So I think it's likely he would

still have followed the investment company's instructions even if Monzo had intervened earlier and the intervention still wouldn't have prevented his loss.

Mr O also said that he was vulnerable at the time of the scam, as a result of medication he was taking for a medical condition. And my intention isn't to diminish the severity of his condition and I don't underestimate the impact the medication had on him. But I don't think his circumstances mean that I would have expected Monzo to take significantly different action than what I've explained above. And so I still don't think anything I would have expected it to have done would have stopped him from making the payments or losing the money he did.

I appreciate that Mr O has been the victim of a cruel and sophisticated scam and that my decision will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at Monzo's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected it to have done would have prevented the loss he suffered. And so I don't think it would be fair to require Monzo to refund the money Mr O has lost.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 September 2025.

Alan Millward
Ombudsman