

The complaint

Mrs J complains that Monzo Bank Ltd won't refund her the money she lost after she fell victim to an investment scam.

Mrs J brings her complaint with the assistance of a professional representative, but for ease of reading I will refer to Mrs J throughout this decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

Mrs J has said that she heard, through friends on a well-known social media platform, about an investment opportunity. Believing everything to be genuine, Mrs J decided to invest, but unknown to her at the time, she had been contacted by fraudsters.

Between September 2022 and April 2024, Mrs J made a number of transactions from her Monzo account in relation to the fraud. Our Investigator has laid these payments out in detail in their view, so I don't intend to list them again here. But in summary, the transactions, totalling just under £5,000, were made by faster payments and card payments and saw Mrs J moving money to accounts she had set up with cryptocurrency platforms. With the funds seemingly then being transferred into accounts that were controlled by the fraudsters.

On realising she'd been scammed, Mrs J raised the matter with Monzo, but it didn't uphold her complaint. In summary, it didn't consider it was liable for the loss.

Unhappy with Monzo's response, Mrs J brought her complaint to this service. One of our Investigators looked into things but didn't think the complaint should be upheld. In summary, she didn't think Monzo had missed an opportunity to identify the payments were being made in relation to a scam. Alongside this, she didn't think Monzo had missed an opportunity to recover the money Mrs J had lost.

Mrs J didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for a final 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 thought about everything carefully, I agree with our Investigator, and I don't think Monzo is responsible for refunding the money Mrs J sadly lost. I'm sorry to hear that Mrs J has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account.

Monzo has agreed to follow the principles of the Lending Standards Board's Contingent Reimbursement Model (CRM Code). Under certain circumstances, this Code can require that firms reimburse customers who have fallen victim to scams. However, the Code doesn't apply to these payments because Mrs J made payments which resulted in money being paid into cryptocurrency accounts she held (before the funds were subsequently moved into accounts that the fraudsters controlled) - a scenario which means the CRM Code isn't an applicable consideration in this case.

It isn't in dispute that Mrs J authorised the transactions in question. She is therefore presumed liable for the loss in the first instance. However, Monzo is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mrs J when it processed the payments, or whether it should have done more than it did. In doing so, I'm mindful that firms, such as Monzo, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) against not holding up or delaying its customer's requests.

I don't doubt the payments represented a lot of money to Mrs J. But when compared with other payments that Monzo processes daily, I'm not persuaded they were of values which I think would have appeared so suspicious or unusual to Monzo, such that they ought to have alerted Monzo to the possibility Mrs J was being scammed.

The payments were all of values that, in isolation, I wouldn't consider ought to have caused Monzo to provide further warnings, prior to processing. Alongside this, I've reviewed the frequency of the payments and can see they were made over a period of over a year and although some were close together, I still wouldn't have expected that to have caused Monzo concern. While some of the payments were identifiably being made to a cryptocurrency platform, which can sometimes, but of course not always be indicative of fraud. I don't think this in and of itself, in the circumstances of this case, would have been enough to alert Monzo that Mrs J may have been at risk of financial harm.

All things considered, I don't think Monzo made an error in allowing the payments to be progressed or missed an opportunity to prevent the fraud.

I've thought about whether Monzo could have recovered any of the funds Mrs J lost when it was made aware of the scam. Monzo did make attempts to recover the money Mrs J had sent by faster payment from the beneficiary bank (the bank to which the payments were made) – but it was unsuccessful. Sadly, this was not surprising, given the funds had been exchanged into cryptocurrency and then been moved onto accounts controlled by the fraudsters.

Regarding the card payments, there was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against Mrs J's own crypto exchanges rather than the scammer. And the exchanges provided the services they were supposed to. So, there was no realistic prospect of success for a chargeback, and chargebacks are voluntary, so Monzo didn't need to try one in this case.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Mrs J. It's very unfortunate that she has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for her. But in the circumstances, having carefully considered everything, I don't find Monzo could have reasonably prevented Mrs J's loss here. Neither do I find there were any other failings on Monzo's part that would lead me to uphold this complaint.

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 Mrs J to accept or reject my decision before 27 November 2025.

Stephen Wise
Ombudsman