

## **The complaint**

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

## **What happened**

Mr D sent several payments to what he thought was a legitimate investment.

When Mr D was asked to pay a number of fees, Mr D says he realised he had been scammed. So, he logged a complaint with Monzo.

Monzo looked into the complaint but didn't uphold it. So, Mr D brought his complaint to our service.

Our investigator didn't uphold the complaint. He found that Monzo did intervene and speak to Mr D where an advisor told him he was likely being scammed. Our investigator found Mr D went on to make further payments, so he didn't find Monzo could have prevented the scam.

Mr D didn't agree with the investigator's view, so 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 very 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 focussed 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 haven't. 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 D fairly and reasonably in its dealings with him, both 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 D's complaint. I know this will come as a disappointment to Mr D and so I want to explain why I've reached the decision I have.

I have kept in mind that Mr D 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 D did not intend for her 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.

Considering the relevant law and regulations; regulators' rules, guidance, and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time – 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 payment service 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 decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

I have reviewed the payments Mr D made to the scam. Having considered when they were made, their value and who they were made to, I agree with the investigator when they have said that Monzo should have intervened earlier than it did. Here though, I don't think it makes any difference to the outcome of the complaint. I'll explain why.

Monzo did intervene and speak to Mr D several times towards the end of the scam, including asking him to send information of the scam to their fraud team for analysis. Here Mr D was then contacted by the bank and told he was being scammed (after already having been warned he was likely being scammed by the previous advisor) and Mr D agreed with the advisor. The advisor went through various features of a scam of this type of scam, and many of them matched the scam Mr D was falling victim to. Mr D then went on to attempt and make further payments from his other banks after advising the scammer Monzo had blocked the payments.

So, I'm satisfied Monzo did what was required of it to prevent this scam, and Mr D made further payments anyway.

Mr D's representative has said if the intervention had come earlier, it would have likely broken the spell of the scammer, but I don't agree. I've not seen any evidence, or anything within the conversations Mr D was having with the scammer that satisfies me that Mr D would have reacted any differently to any scam warning had it come earlier. The scam warnings were strong and in my view categorically told Mr D he was being scammed and to not send any more money. I'm convinced that had these warnings come earlier, Mr D would have still ignored them.

Because of this, I don't think it can be reasonably concluded that Monzo is responsible for the loss Mr D suffered.

Mr D feels that Monzo should refund the money he lost due to the scam. I understand that this will have been frustrating for him. But I've thought carefully about everything that has

happened, and with all the circumstances of this complaint in mind I don't think Monzo needs to pay Mr D any more compensation. I realise this means Mr D is out of pocket and I'm sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

#### Recovery

As the money was sent to other accounts in Mr D's name, there would be no way to recover the funds he lost. If any money remained in those accounts, Mr D would be able to transfer it back himself.

#### **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 D to accept or reject my decision before 14 October 2025.

Tom Wagstaff  
**Ombudsman**