

The complaint

Mr B complains Monzo Bank Ltd didn't do enough to protect him when he fell victim to a purchase scam.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything again here.

In summary, on 4 December 2024, Mr B attempted an international payment from his Monzo account for £6,007.16 for a JCB mini digger from a company I will refer to as 'H'. When Mr B attempted to make the payment from his Monzo account, Monzo re-directed him to an e-money provider, which I will refer to as 'W', who Monzo use as an intermediary to make international payments. On 19 December 2024, Mr B contacted W and asked them to stop the payment after H failed to deliver the item as agreed and stopped responding to his calls.

In January 2025, Mr B raised a complaint with Monzo and said if it had told him they were using W to make the international payment and explained the risks involved, he wouldn't have gone ahead with the payment.

Monzo said it wouldn't refund the money as this was an international payment and it isn't covered under the Payment Service Regulations (PSR) scheme.

Our Investigator also didn't uphold the complaint and said, the payment at the time it was made, didn't carry a heightened risk of financial harm from fraud. And as Mr B didn't speak to or interact with Monzo's staff at the time of the payment, she couldn't see that Monzo missed an opportunity to identify the payment was being made in relation to a scam.

Mr B didn't agree. In summary, he said:

- He followed the instructions from Monzo to send the payment via W. However, they didn't at any point tell him that sending the money from W would invalidate or cancel his protection against fraud. If he was made aware of the risks involved by Monzo he wouldn't have gone ahead with the payment.
- The payment was highly inconsistent with his typical account activity and the only large payments made from his Monzo account were credits into his account rather than any large outgoing payments. Mr B also disputed that he regularly made payments in euros.
- He also said another one of his banking providers had told him about a ruling that had been passed which meant all banks should be working together to check payments with the beneficiary banks were being made to a genuine account and that they didn't have any concerns about the account before allowing the payment to be made.

As the matter couldn't be resolved informally, Mr B's 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 sorry Mr B has lost a significant amount of money. But I must consider whether Monzo is responsible for the loss he's suffered. Having done so, and while I realise this isn't the outcome Mr B is hoping for, for similar reasons as our Investigator, I don't think they are. Because of this, I don't think Monzo acted unfairly by not refunding the payment. I'll explain why.

Before I do, I want to reassure Mr B that I've considered everything he has submitted and while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Monzo is responsible for the loss Mr B has suffered.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. Here, it isn't disputed that Mr B knowingly made the international payment from his Monzo account via W. So, I'm satisfied he authorised it. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Monzo are expected to process Mr B's payment, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instruction given by Mr B to Monzo was unusual enough to have expected additional checks being carried out before the payment was processed.

When considering this, I've kept in mind that banks process high volumes of transactions each day. And that there is a balance for Monzo to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for banks to carry out additional checks before processing every payment.

I appreciate that the payment being disputed represented a lot of money to Mr B, however, it was not of a value where I would usually expect Monzo to be concerned that Mr B was at a heightened risk of financial harm. Particularly as it's common for customers to make occasional transactions of a higher value and, as I've said, there is a balance for Monzo to find between questioning transactions and allowing customers to use their account without unreasonable friction.

It was reasonable for Monzo to consider a range of factors when deciding whether to make further enquiries to Mr B about the payment. And taking all the circumstances into account here, I don't think it was unreasonable for Monzo not to view the payment as suspicious. So, although I appreciate Mr B feels Monzo should have stopped the payment he was making, I don't think that Monzo ought to have done any more to prevent the payment Mr B made based on the information I've mentioned above.

In reference to the point Mr B has made about a ruling which he has said requires banks to contact beneficiary banks to confirm if the account the payment is being made into is genuine and not operating fraudulently. Banks process high volumes of transactions each day and we wouldn't expect them to intervene on every payment that is made and for the reasons I've mentioned, I don't think it was unreasonable for Monzo not to view the payment Mr B made as suspicious.

I've also considered whether, on being alerted to the scam, Monzo could reasonably have done anything to recover Mr B's losses, but I don't think they could. Upon being informed of the scam, Monzo contacted the beneficiary bank to try and recover the funds Mr B lost – which is what I would expect in these circumstances. Unfortunately, this wasn't successful, as the beneficiary bank confirmed the funds had been removed. It follows that I'm satisfied Monzo acted reasonably in this respect.

I'm sympathetic to Mr B's situation, as I realise he's suffered a significant financial loss. But it would only be fair for me to direct Monzo to refund his loss if I thought the bank was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Monzo has acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 October 2025.

Israr Ahmed
Ombudsman