

The complaint

Mr S says Monzo Bank Ltd (“Monzo”) failed to protect him from financial harm when he fell victim to a scam.

Mr S has appointed a professional representative who has brought this complaint on his behalf. However, for ease, I will simply refer to “Mr S” throughout my decision, even when referring to submissions made by his representative.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail.

In short, Mr S says he fell victim to a cryptocurrency scam after being persuaded to invest by an unknown contact on WhatsApp. Mr S says he first received a WhatsApp message from an unknown woman who said she thought she was messaging someone she’d met in a coffee shop. The conversation between Mr S and the woman (who I’ll refer to as “H”) continued over WhatsApp, with Mr S and H messaging daily about their general activity and personal lives. H explained that she had been investing money in cryptocurrency and had been making substantial gains. Mr S was encouraged by H to invest as well, and he says he made over £64,000 worth of payments on her instructions from a number of different banks.

The list of payments Mr S raised in his complaint, do not tally with his Monzo statements. However, I’ve reviewed his complaint and alongside his statements for the period of March and April 2024 and I understand the payments made in relation to the scam to be as follows:

Payment Number	Date	Beneficiary / Merchant	Amount
1	28/03/2024	Coinbase	£10,000.00
2	29/03/2024	Mr S	£1,000.00
3	29/03/2024	Coinbase	£6,000.00
4	09/04/2024	Coinbase	£10,000.00
5	13/04/2024	Coinbase	£10,000.00
6	18/04/2024	Coinbase	£10,000.00
7	19/04/2024	Coinbase	£650.00

Monzo says the payments did raise any alarm because they were all transfers into a wallet in Mr S’s own name. So, it didn’t have concerns that the transactions were fraudulent. Monzo also says as the funds were transferred to his own wallet and then to the scammer, it should not be held responsible for any of the loss, and it should be Coinbase who are held accountable. So Monzo refused to refund any of the money Mr S lost to this scam.

Mr S wasn’t happy with Monzo’s response, so he brought this complaint to us. Our investigator considered this complaint alongside the other complaints Mr S brought about his other banks in relation to this scam. Overall, the investigator felt that even though she agreed Monzo should’ve intervened here, she didn’t feel this would’ve changed Mr S’s decision to make the payments in dispute. So, she didn’t uphold this complaint. Ms S wasn’t

happy with this outcome, so 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.

Before I set out my thoughts, I want to acknowledge that I have summarised this complaint briefly, and in less detail than has been provided. I've focused on what I think is the heart of the matter. Please rest assured that while I may not comment on every point raised, I have considered it. I'm satisfied that 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 and reflect the fact that we are an informal service and a free alternative for consumers to the courts.

There is no dispute here that Mr S authorised the transactions himself. So as per the Payment Services Regulations 2017, Mr S is liable for transactions from his account that he authorised himself. And Monzo, as his payment service provider, has a duty to process his payments as instructed and without undue delay or obstruction. That being said, payment service providers – such as Monzo – should also be on the lookout for unusual behaviors and activity and make efforts to protect its customers from the risk of financial harm from fraud. And this is a balance that needs to be struck.

So, I first need to consider whether Monzo should've noticed unusual activity on Mr S's account, or anything else that could've suggested he was at risk of financial harm.

Should Monzo have identified that Mr S was at risk of financial harm by fraud and intervened in the payments?

Having considered Mr S's statements for his account, Monzo should've intervened from the first payment, payment 1, for £10,000. I say this because Mr S's account was rarely used since opening about a year earlier, and the payments and transactions prior to Payment 1 never exceeded £1,000. Then, on 28 March 2024, Mr S made a payment of £10,000 to a known cryptocurrency exchange platform. This was done on the same day he made a large cash injection into the account. And I think these factors ought to have raised concerns with Monzo and it should've intervened. At this time, I would've expected Monzo to intervene with a tailored written scam warning, alerting Mr S of the dangers of cryptocurrency scams which Monzo should've been on the look out for.

So, I agree with Mr S that Monzo has failed to identify that he might have been at risk of financial harm. However, before I can hold Monzo liable for any of the money lost here I must consider causation. Put simply, I need to consider whether Monzo's failure to intervene caused Mr S's losses. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference.

I have read the full WhatsApp chat history between Mr S and H, which is over 500 pages long. This shows that from the day they started speaking they were in constant contact, discussing all elements of their lives. Over the course of the conversation, and before Mr S had started investing any money, their relationship appears to have developed to more than friendship, with Mr S expressing strong feelings towards H. Over this time, H tricked Mr S into thinking she was in love with him and that they had a potential future together. H mentioned that she had been investing money in cryptocurrency, but she hadn't pushed Mr S into this initially. Once she had established the relationship with Mr S and had built a level of trust, she then introduced the idea of Mr S investing.

I've also looked at the conversation from 28 March 2024, the date the first payment was made, and at Mr S's other complaints. On that day Mr S had tried to make a payment to Coinbase from another one of his accounts, but the bank had blocked it, so he explains to H over WhatsApp that he has to find a way to transfer the money today. He tells H that he will try to move the money to Monzo and then make the payment from his Monzo account. He adds, "*I trust you n love you*". Mr S explicitly states, "*I really don't want to miss out on tonight's trade.*"

Having considered all this evidence, I think Mr S was set on making this payment on the day by any means necessary. So, even if Monzo had provided the appropriate scam warning, I don't think this would've made a difference as Mr S was fully convinced that he wanted to make this payment and that the investment was a good opportunity.

Should Monzo have intervened again at any point in this payment history?

I think it can be argued that Monzo should've intervened again at Payment 4 or 6, however, in any event I don't think any further intervention would've made a difference. I'll explain why.

Having considered the entire WhatsApp conversation between Mr S and H, which goes up to 30 April 2024, it seems Mr S had no doubts about H and the investment being genuine. It seems up to this point he felt that he was unable to withdraw his money because of admin issues and verification issues, and it seems he still believed in his relationship with H. I've seen evidence on other cases he has with our Service that the interventions they held were ignored or bypassed. I've also seen that Mr S told H that he had been scammed into making cryptocurrency investments in the past, but he didn't seem to have any suspicions that he was being scammed again. The way that H made him feel safe in their relationship was cruel, however, because of this I think Mr S was completely under H's spell, and there is no point in the conversation which suggests Mr S had any doubt that H was trustworthy.

I've also seen evidence that Mr S had to complete a questionnaire with another bank regarding a payment in relation to this scam. In this questionnaire he said that the opportunity to invest came from "family and friends", even though H was actually an unknown person who contacted Mr S on WhatsApp. From the conversation there are times Mr S explains to H that the banks are causing problems and blocking payments, but each time he reassures her that he will find more funds, and he will find other ways to make the payments she has instructed him to make. And for these reasons, I don't think any further intervention would've made a difference to Mr S's decision to make the payments in dispute.

Recovery of funds

From the evidence I've seen it seems Monzo did attempt to recover the funds transferred, however they had been moved on and no funds were recoverable. So, I don't think Monzo needs to do anything further.

Overall, while I know this outcome will come as a disappointment to Mr S I don't think it would be fair to conclude that Monzo could've prevented his loss. I say that having seen the evidence of the cruel and manipulative scam Mr S fell victim to, and the trust he unknowingly gave to the scammer. I have sympathy for Mr S's situation; he has lost a lot of money which is no doubt distressing. But for all the reasons outlined above I am not upholding this complaint.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 8 December 2025.

Sienna Mahboobani
Ombudsman