

The complaint

Mr K complains that Monzo Bank Ltd won't refund payments made as a result of a scam.

What happened

- In August 2024, Mr K made two payments to legitimate travel agents totalling £728.33, having been led to believe that a company, which I'll call B, was arranging flights on his behalf. In fact, he'd been in touch with a fraudster, and Mr B didn't get the flights he paid for.
- Monzo, his bank, declined to refund the transactions and his subsequent complaint. So Mr K brought his complaint to us to investigate.

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 done so, I've reached the same conclusion as our investigator for these reasons:

- It's not disputed that Mr K was the victim of a cruel scam. My role is to consider whether it's fair to hold Monzo, as his bank, responsible for his losses from this.
- There are various rules and codes that mean victims of scams ought to be refunded in some circumstances. But to be clear, there isn't an overarching, general expectation that banks ought to refund victims of scams.
- The payments in dispute here were made by card, and I'm satisfied they'd be regarded as authorised for the purposes of the Payment Services Regulations 2017. That's given how they were approved in Mr K's Monzo App, which is one of the ways agreed for him to consent to payments.
- With this in mind, while I accept he was cruelly tricked, the starting position is that Mr K is liable for his losses.
- But this isn't the end of the matter. I have also considered whether Monzo ought to have identified that these payments were suspicious and stepped in before they were made.
- Monzo, like all banks, have to balance protecting Mr K from fraud with its legal duty to make the payments he tells it to. Here, there were only two payments and the destinations didn't look particularly alarming (it wasn't, for example, cryptocurrency-related which tends to carry a higher risk of fraud). And while it must have been a lot for him to lose, I'm mindful of the volume of payments of this size that a bank like Monzo processes and the impracticalities of stopping every payment like it.

- Taking this all into account, I don't think it was unreasonable that Monzo processed these payments in line with the instructions without completing further checks.
- As well as whether Monzo ought to have prevented his losses, I've considered whether it could have done more to recover them.
- Given they were made by card, I've considered whether Monzo ought to have pursued a chargeback claim. This is a voluntary scheme run by Mr K's card issuer which can provide a refund in certain circumstances.
- I'd only expect Monzo to have pursued this if there was a reasonable chance of them succeeding. Bearing in mind the specific rules of the scheme, I don't think that was the case here. That's given how the payments were made (they used additional verification '3D Secure') and that they went to legitimate merchants, who likely did provide the service paid for, albeit not to Mr K.
- I've noted Mr K's report that he did get other losses back through another firm. But given what I've explained, I don't think that means that Monzo acted unfairly for not pursuing these chargeback claims.
- I've also considered that when a card payment is made, it can't simply be stopped by the bank, even it shows as pending – because the merchant has already been promised that money. So while Mr K reported the matter quickly, I don't think Monzo could've done more here to get the money back.
- I appreciate this will be disappointing news for Mr K, particularly as he's ultimately a victim in this situation. But for the reasons I've explained, I don't think I can reasonably tell Monzo to refund these payments.

My final decision

For the reasons I've explained, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 16 September 2025.

Emma Szkolar
Ombudsman