

The complaint

Mr A complains about Monzo Bank Ltd.

He says that he fell victim to an investment scam and would like Monzo to refund him the money he has lost.

What happened

The details of what happened are well known to all parties – so I won't repeat them at length here.

In summary, Mr A fell victim to an investment scam and made six payments as part of the scam totalling £12,730.24 via various payment types.

Mr A, via a third party, complained to Monzo about what had happened, but didn't get a response, so the complaint was brought to this Service.

We requested information from Monzo, and it responded saying that it would refund Mr A 50% of payments three to six – totalling £5,265.12.

Our Investigator explained that they felt this was a fair offer – they said that payments one and two were not sufficiently unusual or suspicious enough for Monzo to have needed to get involved – and that they were satisfied that Monzo had correctly identified when it should have stepped in. They also agreed with Monzo that Mr A hadn't been as careful as he should have been with his money, so responsibility should be shared for the loss between Mr A and Monzo.

Mr A asked for a final decision from an Ombudsman, so the complaint has been passed to me.

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 agree with our Investigator that the offer from Monzo is fair – and I won't be directing it to refund Mr A any more of his loss. I know this will be disappointing for Mr A as he had hoped to recover more of his money, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mr A authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Monzo should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Looking at the payments Mr A made as part of the scam, I don't think that Monzo needed to become involved in what Mr A was doing for payments one and two – the payments were relatively small, and not made in quick succession, and as I have explained above, Monzo can't be expected to intervene in every transaction a customer chooses to make.

Monzo has already agreed that it should have done more from payment three – and I agree.

Therefore, all that is left for me to decide is if it is fair for Mr A to share liability for his losses with Monzo from this point – and I think that it is.

I say this because I don't think that Mr A was as careful as he should have been before parting with his money. From the information I have been provided, it doesn't appear that Mr A did any research into what he was doing prior to agreeing to make the payments. The advert for the investment was found on social media, which is not a reliable source for financial matters.

It also appears that the returns Mr A was promised were too good to be true – and I think that Mr A should have questioned how it was possible to make so much money in such a little time from a relatively modest level of investment. I am also aware that there was a warning about the business Mr A believed he was investing in available online – and that some of the payments he was asked to make don't appear to even be connected with the company he thought he was paying.

I am very sorry for the loss Mr A has suffered – but ultimately his losses were caused by the scammer – and while Monzo has agreed to partially refund him for its part in what happened, I think that it is fair that it deducts 50% from the point it says it should have stepped in.

My final decision

The offer Monzo Bank Ltd has made is fair, and I don't direct it to make any further payments than it has already offered.

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

Claire Pugh
Ombudsman