

The complaint

Mr G complains that Monzo Bank Ltd hasn't refunded him after he sent money to someone blackmailing him.

What happened

Mr G was contacted by someone on social media, posing as a person they were not. Mr G was talked into sending compromising photos, not realising the true identity of the person he was speaking with. Once those photos were received the person threatened to share them online and directly with Mr G's friends and family.

Mr G has explained how the blackmailer knew where he lived, had details and information about him, and demonstrated they could share the photos with Mr G's friends and family.

Mr G was instructed to make several payments, and he did so from different accounts in his name. One of those accounts is held with Monzo.

After he sent the money Mr G contacted Monzo and told it he'd been blackmailed and asked for help.

Monzo looked into what had happened and said there was nothing it could do. Unhappy with that answer Mr G brought his complaint to our service. One of our investigator's considered it but didn't recommend it be upheld.

Mr G then asked that an ombudsman review the complaint, still believing he ought to be reimbursed. And 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'm not upholding the complaint. I'll explain why.

Mr G has confirmed that he authorised the payments, albeit he only did so under duress. But, given they were authorised, the starting point at law is that he is responsible for them. This position is set out in the Payment Service Regulations (2017).

I've thought about whether there's any reason outside of the Payment Service Regulations which would lead me to say Monzo ought to reimburse Mr G. I can't say that there is. Our investigator provided some commentary around the Contingent Reimbursement Model (CRM) Code, and why it doesn't apply to the payments made by Mr G.

The Code is in place to see the victims of scams reimbursed. But Mr G hasn't been the victim of a scam; he's a blackmail victim. The distinction may appear subtle, but it is important. Both are awful crimes. Mr G's distress is no less significant due to the distinction. But I must consider what scenarios the Code does cover, and this isn't one of them.

First, for any payments made to be covered by the Code, they must be made with a legitimate purpose in mind. But blackmail – and payments made toward a case of it – can't fairly and reasonably be described as legitimate, given it is a crime.

Second, Mr G's intention was to send money to the blackmailer. And that is what he did. There was no deception in what he was doing. I accept there was coercion, and it certainly appears a crime has taken place. But it is not a crime that the Code covers.

Mr G has said that Monzo ought to have known something was wrong, based on the pattern of payments. I'm not persuaded that's the case here. Mr G made four payments to two new payees, across two days. I don't find that to be an obviously alarming pattern, especially as the individual payments were all relatively low in value. That's not to say the loss to Mr G is small or insignificant, but I don't believe Monzo ought to have known something was wrong.

At best, I might have expected a written warning for the final payment. But I can't see how such a warning, which almost certainly wouldn't have involved anything about blackmail, would have stopped Mr G from what he was doing.

Mr G has also argued that Monzo failed to act to recover his money. But I've found no fault on Monzo's part here. Crucially, Mr G is adamant in his reports to Monzo that he didn't make the payments himself. He says someone else has accessed his phone and/or banking app. But we know that wasn't the case. And whilst he does also mention blackmail, Mr G's insistence that the payments were unauthorised sent Monzo's investigation down the wrong path. It concluded that Mr G had authorised the payments and so was responsible for them. That was a fair and reasonable answer based on what Mr G had said, and it provides fair reason for Monzo not pursuing the funds.

Having considered all the circumstances of the complaint I find Monzo has acted fairly and reasonably throughout, and I can see no grounds upon which it ought to reimburse Mr G's loss.

My final decision

I don't uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 October 2025.

Ben Murray
Ombudsman