

The complaint

Mr N complains that Monzo Bank Ltd won't refund money he lost when he was a victim of a scam.

Mr N is professionally represented, however, to keep things simple, I'll refer to Mr N throughout my decision.

What happened

The circumstances of the scam are well known to both parties, so I won't set them out in detail here. Instead, I'll summarise the key points.

Mr N has explained that he was deceived by scammers into making the following payments from his Monzo account towards what he thought was a legitimate investment. As part of the scam, he purchased cryptocurrency from two legitimate crypto providers before forwarding it on to the scammers.

Payment	Date	Payee	Amount
1	2 January 2025	Cryptocurrency provider 1	£200
2	5 January 2025	Cryptocurrency provider 1	£500
3	12 January 2025	Cryptocurrency provider 1	£100
4	12 January 2025	Cryptocurrency provider 1	£100
5	12 January 2025	Cryptocurrency provider 1	£2,800
6	13 January 2025	Cryptocurrency provider 2	£1,400
7	14 January 2025	Cryptocurrency provider 2	£2,750
Total:			£7,850

Mr N also received credits totalling £2,704.73 from crypto provider 1, so the total loss Mr N

suffered was calculated at £5,145.27.

Mr N said he realised he had been scammed when he asked to make a large withdrawal, however, his trading account got blocked and he could no longer access his funds.

Mr N complained to Monzo in February 2025. He didn't think Monzo did enough to protect him from the scam – as he thought Monzo ought to have identified his payment activity as unusual and they should have provided him with effective warnings and appropriate safeguarding to prevent him from becoming the victim of a scam. Had this happened Mr N said the scam would've been uncovered and his loss prevented. Mr N said the loss should be refunded in full under the Contingent Reimbursement Model (CRM) and Authorised Push Payment (APP) requirements.

Monzo didn't uphold the complaint. They said the payments were authorised by Mr N and so, they were unable to accept liability for them. Monzo also said they provided Mr N with warnings within the app when he made the first payment to the new payees. And they provide education on investments scams and other common scams on their website. Monzo also said the payments weren't covered under the CRM code as they were made to an account registered in Mr N's name.

Our Investigator considered Mr N's complaint, but he didn't think Monzo had to do anything further. In short, he said:

- The payments weren't particularly unusual or suspicious in appearance to Monzo considering their value, being spread out over a number of days, and Mr N's overall account activity and his previous payment history prior to the scam.
- As Mr N didn't speak or interact with Monzo at the time of the payments, Monzo didn't miss an opportunity to identify the payments were being made in relation to a scam.
- Monzo did what it could to try and recover the funds when Mr N made it aware of the scam, however, there wasn't any reasonable prospect of recovering the funds.

Mr N didn't agree. He said the large debits from his account is highly unusual given his typical transaction history, where most transactions are below £100. He said that Monzo didn't give him any warnings when he made the payments or attempt to intervene – and if it had warned him about the scam, it would have prevented him from making further payments and helped him uncover the scam sooner.

Mr N's complaint has been passed to me for review and a 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.

I'm very sorry Mr N 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 N 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 payments. I'll explain why.

Before I do, I want to reassure Mr N 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 N has suffered.

Mr N has mentioned his payments should be refundable under the CRM code - which can offer a potential means of obtaining a refund following situations like this. The CRM code however, doesn't cover payments to a person's own account. I've therefore considered whether it would otherwise be fair and reasonable to hold Monzo responsible for Mr N's loss.

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 N knowingly made the payments from his Monzo account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Monzo are expected to process Mr N's payments, 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 instructions given by Mr N to Monzo (either individually or collectively) were unusual enough to have expected additional checks being carried out before the payments were 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.

The payments being disputed here were mostly of a relatively low value. And although I appreciate that the payments may have represented a lot of money to Mr N, they were not of a value where I'd usually expect Monzo to be concerned that Mr N 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.

I've also considered that the payments were being made to legitimate crypto providers and crypto carries a known fraud risk that Monzo ought to have considered as part of their requirements to monitor unusual patterns of account activity to prevent potential financial crime. But while crypto providers are sometimes used by scammers to defraud their victims, it's also used by many individuals to invest in crypto legitimately. And although some of the payments were made on the same day, they didn't escalate rapidly in value or frequency in a way that could typically indicate a scam was taking place.

It was reasonable for Monzo to consider a range of factors when deciding whether to make further enquiries to Mr N about the payments. And taking all the circumstances into account here, I don't think it was unreasonable for Monzo not to view the payments as suspicious. So, I've not found that Monzo ought to have done any more to prevent the scam payments Mr N made.

I've also considered whether, on being alerted to the scam, Monzo could reasonably have done anything to recover Mr N's losses, but I don't think they could. The only possible option for recovery here would've been for Monzo to have attempted a chargeback against the payee – that being the crypto providers. But this likely wouldn't have had any reasonable prospect of success. This is because the payments were for the purchasing of crypto which had been provided to Mr N – so he received the service he paid for. But even if there were funds remaining, Mr N would've had access to them.

I have a great deal of sympathy for Mr N and the loss he's suffered. But it would only be fair for me to direct Monzo to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, 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 N to accept or reject my decision before 24 October 2025.

Israr Ahmed
Ombudsman