

The complaint

Mr A has complained Monzo Bank Ltd failed to sufficiently intervene causing him to fall victim to an authorised push payment (APP) scam.

What happened

I issued my provisional decision on this complaint on 30 May 2025. I wanted to give both sides a chance to provide any further evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

There has been some conflicting information about whether the payments were authorised by Mr A, or the scammer completed them all.

However, as the background to this complaint is well known to both parties I won't repeat it in detail here. In summary, Mr A fell victim to an investment scam. In response to our questions he says the scammers made two transfers totalling £3,500 in August 2023 to a cryptocurrency exchange, before forwarding these funds to the scammers. Mr A believed he was investing funds in a credible investment platform backed by a celebrity endorsement. However, he subsequently discovered the investment was a scam after he paid further fees to release his profits and was then asked to pay more.

Our Investigator did not uphold the complaint because she did think Mr A authorised the transfer, he confirmed to the scammer when he completed the transfer and mislead Monzo when questioned during an intervention. However, Mr A disagreed with this and maintained his stance that Monzo should have done more. So, the complaint has been passed to me for a decision.

What I've provisionally 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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied 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. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr A has been the victim of a scam here; he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean he is automatically entitled to recompense by Monzo. It would only be fair for me to tell Monzo to reimburse him for his loss (or a proportion of it) if: I thought Monzo reasonably ought to have prevented the payment he made, or Monzo hindered the recovery of the payment Mr A made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Monzo treated Mr A fairly and reasonably in its dealings with him, when he made the payment and when he reported his concerns to it, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr A's complaint. I know this will come as a disappointment to Mr A and so I want to explain why I've reached the decision I have.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.*
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.*

Firstly, I've considered Mr A's argument that the scammer authorised all the transactions and responded to Monzo's in-app questions. Although I accept Mr A has fallen victim to a scam, based on the available evidence, I'm not persuaded the actions which took place were conducted by the scammer.

Monzo has supplied us with evidence showing the device used for the transfer is the one it holds on file for Mr A. It has also confirmed its systems do not permit screensharing software to work in conjunction with its app. This does suggest it was Mr A that completed these transactions.

I've also noted within Mr A's scam chat logs on 22 August 2023 he confirmed to the scammer he had completed that transfer and in response the scammer confirmed they'd call him shortly. Therefore, I'm persuaded if Mr A did authorise and complete the transfers or he wouldn't have needed to inform the scammer when they took place. Although, I do not doubt the scammer would have given him guidance before this to ensure he was going to send the funds where the scammer needed them to go.

Additionally, I consider it most likely that had the scammer had access to Mr A's accounts, without him being party to the actions occurring, that they would have taken all his funds. As this was not an individual acting with any due regard for Mr A's best interests, there would have been nothing regulatory, legally or morally stopping them from attempting to take all Mr A's funds from all the accounts they had gained access to.

As I'm persuaded these were authorised transactions Monzo is expected to follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) Mr A is presumed liable for the loss in the first instance. I appreciate that Mr A did not intend for his money to ultimately go to fraudsters, but he did authorise these payments to take place.

However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made. So, I've thought about whether the transaction should have highlighted to Monzo that Mr A might be at a heightened risk of financial harm due to fraud or a scam.

Monzo should have identified when Mr A's payments were going to a cryptocurrency exchange as the merchant is well-known. However, that doesn't mean they all should automatically be treated as suspicious; particularly when there are no other concerning factors about the payments. Many banks have made the commercial decision to prevent their customers from using their service to send money to cryptocurrency exchanges. Albeit investing in cryptocurrency is a highly risky endeavour, it is ultimately a legitimate one and so certain banks and Electronic Money Institutions (EMIs) do permit transfers to cryptocurrency exchanges.

Monzo did intervene, preventing a payment Mr A attempted to make on 7 August 2023. Mr A then reached out via the in-app chat on 8 August 2023 to ask for the account block to be lifted, so he could transfer his funds back into his savings account. On 9 August 2023 Mr A spoke with Monzo and confirmed that he was paying his own cryptocurrency wallet, that he was paying a genuine cryptocurrency exchange so questioned why his payment was being flagged, that no-one had asked him to set the account up, he wasn't being advised by anyone which is why he was struggling and that he had been reviewing the FCA register when reviewing different advisors. Monzo informed him cryptocurrency investment scams are very common which is why payments to exchanges are flagging. Mr A confirmed to Monzo he was going to complete further research first and to not release this payment. Scam information was sent to Mr A and via the in-app chat he responded confirming he agreed with it.

Monzo's actions were appropriate at this time based on the information available to them. Had Mr A answered the questions accurately and been more forthcoming with details Monzo may well have been able to uncover the scam at this point and prevent his losses. Instead, Mr A alleviated Monzo's concerns with his answers and prevented it the opportunity to uncover the scam. This suggests that he was heavily under the scammer's influence, because I can think of no other reason why Mr A would choose to mislead Monzo with his answers when he believed the investment to be legitimate. He then chose to continue his contact with the scammer, who no doubt was influencing him, and then via a cryptocurrency exchange sent his funds to the scammer.

I have noted that the payments Mr A did then make on 23 August 2023 did not trigger any intervention. However, even if I considered that Monzo should have intervened by asking questions and then giving a tailored warning for the most appropriate potential scam, I'm not persuaded this would have prevented Mr A from making the payments. I say this because during the human intervention, which is a lot more thorough than just a better automated warning, Mr A was not forthcoming with the details and instead mislead Monzo with his answers. So, I am not persuaded he would have been open and honest during a lesser intervention. It seems most likely the scammer was influencing Mr A's actions and he was under his spell.

I've considered the decisions that Mr A believes are close to his circumstances. However, we consider each case on its own individual merits and although he believes the circumstances of other decisions seem to be similar, there are key differences. The Contingent Reimbursement Model Code Although Monzo has not signed up to the Contingent Reimbursement Model Code, it has committed to apply the Code to payments made on or after 28 May 2019. However, the payments Mr A made from his Monzo account aren't covered by the Code because he made the payments from his Monzo account to his

other account and not to another person. I cannot fairly and reasonably say that Monzo should have to refund payments under the Code when it doesn't apply here.

Consequently, I do empathise with Mr A for the situation he has found himself, but it would not be reasonable for me to find that Monzo should be held liable for the losses he suffered. Ultimately, I'm not persuaded that Monzo could have prevented them occurring. I think Mr A would have continued supplying credible answers, without sharing the full details of what he was involved, that would have reassured it of any concerns it may have had.

Recovery

Monzo attempted to recover the funds Mr A lost. However, it has confirmed it was advised no money remained. I've also kept in mind Mr A paid a cryptocurrency exchange, not the scammer directly. If these funds had not already been transferred to the scammer, I'm persuaded they would be in Mr A's control to access as and when he chose. Therefore, I won't be asking Monzo to do anything further as there was not anything else they could have done.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Monzo Bank Ltd to reimburse Mr A's loss.

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.

Monzo had no further comments to add in response to my provisional decision. So, I've considered Mr A's further comments to decide whether or not I should depart from my provisional decision. However, having done so, I'm not persuaded there is a compelling basis for me to do so.

Briefly, Mr A responded to say: he did not authorise the payments, there was no human intervention until he went into branch of his other bank to make a complaint, Monzo is obliged to monitor transactions and intervene, the warnings given were insufficient and the scammer had considerable influence over him.

I appreciate Mr A's stance that the scammer completed all these transactions. However, I am not persuaded on the available evidence that the scammers did do so. As I highlighted above, there would have been no need for Mr A to confirm when the transactions were completed to the scammer if he was not conducting them. I also see no reason why the scammers would not have taken all his funds if they had the access Mr A said they had.

I'll also clarify the human intervention I referred to doesn't mean it has to be in person, via a telephone discussion would also constitute this. I think Monzo's intervention was appropriate and proportionate. As Mr A highlights, he was under considerable influence of the scammer and so I'm not persuaded Monzo would have been able to prevent his losses.

Therefore, I remain of the same opinion of my decision and am not upholding this complaint.

My final decision

For the reasons I've explained, I do not uphold this complaint about Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 July 2025.

Lawrence Keath
Ombudsman