

The complaint

Mr K complains that Monzo Bank Ltd have refused to refund money he lost to a crypto investment scam.

I'm very aware that I've summarised Mr K's complaint and the relevant submissions briefly. No discourtesy is intended by this, but I've focussed on what I think is the heart of the matter here.

Therefore, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is a fair outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

I should also point out that whilst being mindful of previous decisions made by the Financial Ombudsman, I review each case on its own merits.

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 the conclusions reached by our Investigator and for largely the same reasons. I'll explain why.

It isn't in dispute that Mr K authorised the disputed card payments he made to legitimate crypto exchanges in his name (which I'll refer to here as 'B' and 'C'). The funds were subsequently transferred on to the scammers. The payments were made between 17 November and 16 December 2021 and ranged between £0.06 and £3,781.39. Mr K's total loss is just over £16,000.

The payments were requested by Mr K using his legitimate security credentials provided by Monzo. In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. Monzo is expected to process authorised payment instructions without undue delay.

I've considered whether Monzo should've done more to prevent Mr K from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction before processing it. For example, if it was particularly unusual or suspicious.

So, the starting point here is whether the instructions given by Mr K to Monzo (either individually or collectively) were unusual enough to have expected additional checks to be 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's 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.

Firstly, these payments were made to legitimate crypto exchanges and I'm aware that scams involving crypto are becoming increasingly prevalent and well known to banks. But, at the

time these payments were made, I think it was reasonable for Monzo to consider a range of factors when deciding whether to make further enquiries of its customers about a particular payment.

It's also of relevance that these payments were made to accounts in Mr K's own name with legitimate crypto exchanges. Payments involving the purchase of crypto can, and are mostly, part of a legitimate investment.

Further to that, I appreciate that Mr K has lost a significant amount of money. But this wasn't paid in one large transaction. It was spread over several separate smaller increments which, in my judgement, would've made the payments seem less suspicious to Monzo.

The payments were also relatively spread out, having been made over a period of a month. And they didn't sequentially increase in value. This isn't usually conducive with the hallmarks of a scam and would, in my opinion, again have made the payments appear to Monzo more like normal account activity.

Looking now specifically at Mr K's previous account activity, I can see that he'd been making legitimate payments to 'C' as far back as February 2021. Those payments were lower in value (under £250) than the payments in dispute; but followed a similar pattern in terms of their frequency, with multiple transactions made on the same day. Mr K's Monzo account also shows evidence of trading – with payments made to a legitimate trading company.

Looking at the disputed payments made to 'B', whilst higher in value than Mr K's previous payments to 'C', they're still not of a value that I'd expect Monzo to be overly concerned about. The highest payment to 'B' is £850 (part of a daily total of £1,200), and the payments don't sequentially increase in value and are made over a period of seven days.

And so, taking all this into account, I think it's likely that Monzo would've viewed the payments to 'B' as being in line with Mr K's previous crypto/investment account activity, albeit via a different crypto exchange.

Turning now to the payments to 'C' – I recognise that by December 2021 the value of the payments had increased, and that three payments were made on 16 December 2021 (£3,772.19, £3,781.39 and £842.98) totalling £8,396.56.

But whilst, unbeknown to Monzo, the intended destination of those payments was the scammers; the payments were again made to the same existing payee ('C'), with no concerns having been expressed by Mr K about any of the payments made to 'C' (or 'B') previously.

Mr K has argued that aside from the payee, the increase in payment values should've been of concern to Monzo. But arguably, with Monzo viewing these larger transactions against the background of Mr K's previous account activity, which suggested an apparent experience in crypto investment, I don't think it's wholly unreasonable for Monzo not to have considered it unusual that Mr K was investing more money than he had done previously as part of a legitimate investment.

Taking all this into account, I think it's more likely than not that these higher value payments to 'C' would've again appeared to Monzo to be in line with Mr K's previous account activity.

In these circumstances and given, as I've said, there's a balance for Monzo to find between questioning transactions and allowing customers to use their accounts without unreasonable friction, I don't think Monzo would've had sufficient reason to suspect Mr K wasn't making the disputed payments for anything other than legitimate crypto investment purposes.

It follows that, while there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment, for the above reasons, I think Monzo was right not to view Mr K's payments with suspicion. And so, I think it was therefore reasonable for Monzo to process the payments upon receiving Mr K's instruction(s).

I also agree with our Investigator that there was no reasonable prospect of Monzo recovering the lost funds at the point it was alerted to the scam.

I appreciate this will likely come as a disappointment to Mr K, and I'm sorry to hear he has been the victim of a cruel scam and the impact this has had on him. However, in the circumstances of this complaint, I don't consider it would be fair and reasonable to hold Monzo responsible for his loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision **before 25 December 2025**.

Anna Jackson
Ombudsman