

## The complaint

Mr A complains that Monzo Bank Ltd didn't do enough to protect him when he fell victim to an investment scam.

## What happened

Mr A came across 'R' (the scammer) when he was searching for trading opportunities and he received a call back from them about an investment. He says he started investing with a small sum of £200 and saw this had increased to £400, which convinced him the opportunity was legitimate. Mr A discovered this was a scam when he was unable to withdraw funds and was asked to send more money.

Mr A complained to Monzo that he'd been the victim of an investment scam and asked it to help him recover his funds. Monzo didn't respond to Mr A's complaint within the allowed time.

Mr A brought his complaint to our Service and I issued a provisional decision on this complaint in May 2025. My findings were as follows:

*I've considered longstanding regulatory expectations and requirements, and what I consider to be good industry practice for firms when processing payments. In line with this, Monzo ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.*

*Mr A made three payments of £10,000 to a new international payee between 11 and 12 October 2023. And on 12 October 2023, he also sent £10,000 to an account with a cryptocurrency merchant. This money was later returned to him and moved to another bank account to invest in R. Mr A also made some transfers to his own accounts and two smaller payments on his card to another cryptocurrency merchant. Monzo didn't ask Mr A questions about any of the £10,000 payments.*

*Considering their value and the amount being moved in a short space of time, including to cryptocurrency, I consider Monzo ought to have questioned Mr A about these payments, as they indicated a potential risk of financial harm from fraud. I don't consider it needed to question him about the other payments. However, I don't consider that proportionate interventions would've changed Mr A's decision to go ahead with this investment. I'll explain why.*

*While Monzo didn't specifically question Mr A about the payments as they were made, he asked for several account limit increases when he was trying to make the international payments. As part of this it did use the chat function and ask him questions about each increase and the payments he'd recently made. He misled Monzo and said the increases were to send money to a friend, or related to buying items for his home. The scam chat we have makes it clear to Mr A he must select that he's paying Friends and Family for the payments he is making. Mr A has explained he was told to do this to prevent complications or delays with the transactions. We also know Mr A had a number of calls with the scammers around*

*making the payments and investing.*

*In the call Mr A has with another bank, he isn't forthcoming with information and doesn't reveal what he's truly doing. How Mr A approaches this call and how he interacts with Monzo doesn't suggest to me he would've changed his stance and been open and forthcoming if it had asked more or better questions around the international payments. Mr A gets frustrated with Monzo in the chat it does have with him when it asks him about these payments and says they are an intrusion. I'm not persuaded he'd have given the true purpose of sending the funds or changed his stance.*

*I also note that Mr A had been investing with R since July 2023, and in August 2023, Mr A tells the scammer his account with another bank was blocked and he thinks the bank did this because they think it's a scam. But this doesn't deter him from continuing with the opportunity for several more months, using other accounts.*

*Considering the above, I'm not persuaded a proportionate intervention by Monzo on the international payments would've revealed anything concerning, so that it would've realised Mr A was at risk of financial harm. And I don't think it could've provided relevant warnings after questioning Mr A, as he would've misled it about what he was doing and maintained he was paying a friend.*

*In relation to the cryptocurrency payment, I consider that Monzo needed to ask Mr A questions about what he was doing in order and provided him with a warning on the risks associated with cryptocurrency scams – as Monzo should've identified this payment was going to cryptocurrency. But I'm also not persuaded this would've resulted in him stopping investing in this scam.*

*I say this because, as above, Mr A had already been warned by another bank he may be being scammed. And not long after this payment, Mr A has also told us his account with another provider related to cryptocurrency was blocked due to the scam risk his transactions presented. But despite this happening, he still continued to invest with R and for some time. Mr A has explained that the warning given by that provider was insufficient, but also that he'd received similar cautionary messages from other financial institutions on numerous occasions prior to this scam. He said these warnings had become so frequent and routine that he now saw them as standard banking procedures rather than critical alerts.*

*I also note that Mr A actually received this payment back from the cryptocurrency merchant around ten days after he sent it, so it wasn't actually lost to the scam. And Mr A has suggested the scammer was involved in both the sending and 'recovery' of these funds (although I accept the emails involved in the recovery process also appear to be scam emails). It seems this was possibly a ploy to further increase Mr A's trust in R.*

*From what Mr A has shared, it seems that he was contacted by someone out of the blue to make this payment. And Mr A then understood, after making the payment, that this person was a scammer who was trying to impersonate R to get Mr A's money. R then helped Mr A with recovering these funds and to invest them in 'genuine' R through a different account. So considering this, I'm not persuaded that an intervention by Monzo on this payment, even if it stopped Mr A sending this specific money, would unravel the whole scam, as at the time it quickly appeared this transaction was unrelated to R. And as Mr A had this payment returned, he hasn't suffered a loss from it.*

*Considering the coaching I have seen evidence of; the calls we know Mr A was having with the scammer and his clear trust in them; and the evidence we hold that Mr A was willing to actively and repeatedly mislead his banks – and move banks when he came up against a challenge; I can't safely conclude that a better intervention by Monzo would've unravelled this scam. I think Monzo ought to have questioned Mr A around his larger payments and provided him with a warning around cryptocurrency investment scams. But I'm not persuaded this would've prevented him continuing with the opportunity with R.*

*I've then considered whether Monzo ought to have done more to reimburse or recover Mr A's funds. But I don't consider it could've recovered any of the £10,000 payments, as they were made internationally. And the card payments were made to Mr A's own cryptocurrency wallet and then lost to the scammers from there.*

*I appreciate Mr A has lost out financially due to this scam investment. But I don't consider his loss is the result of any material failings by Monzo.*

Monzo accepted the provisional decision. After receiving copies of evidence I'd relied on, Mr A's representative disagreed with the decision. It strongly argued why both the banks complained about failed Mr A and said that a proportionate intervention by Monzo would've unravelled the scam and prevented Mr A's losses.

### **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've read the additional comments Mr A's representative has provided in detail and reviewed the case in full, but I don't consider they have provided anything materially new to change my outcome here. I listened to the calls in full, reviewed all the scam chat and reached my decision based on all the evidence the representative has now considered and commented on. While I appreciate the view they have taken, on balance, I am still of the opinion that a better intervention wouldn't have unravelled this scam.

Mr A's representative has said that it was only Mr A's opinion his account with the other provider was blocked due to a scam risk. But this doesn't change the finding I reached. Mr A wasn't concerned despite him thinking this was the most likely reason. I agree we don't know why this was or if he received a warning from this party. But we do know that he carried on investing, despite this being his thought. And it seems he also did no additional research into the opportunity at this time, as his representative has pointed out, there was a FCA warning available to see if he had.

Mr A's representative has provided a list of the kinds of questions it considers Monzo should've asked. But we know Mr A was coached to mislead Monzo and about what he was doing and I don't agree that Mr A wouldn't have been able to provide reasonable explanations to some of these questions. And others I consider would never have been asked due to prior answers he given, and/or the coaching he received that we know he was acting on. As per my provisional decision, I am in agreement with Mr A's representative that Monzo ought to have asked further questions around the cryptocurrency payment specifically, But I'm not persuaded that this would've unravelled the whole scam due to the reasons already set out.

Mr A's representative has said the available evidence shows minimal coaching. But we also know that Mr A had a number of phone calls with the scammers which we can't now know the content of. The scam chat and emails are clear on what to do and from my experience

it's likely the calls would've covered this as well. Mr A was asked clear questions about why he needed the account increases, and he chose to not be honest with the bank. And he elaborated on the story given in his responses to these questions too. And as I set out in my provisional decision, Mr A has also indicated that he'd seen so many warnings from financial institutions that they didn't have an impact on him. So even if Monzo had given better, relevant warnings, it seems unlikely Mr A would've then heeded them.

Ultimately, while I accept that Monzo ought to have done more to investigate the *risk* of financial and foreseeable harm in this case, I don't consider its failure to do so has caused a material impact on Mr A's position now. I'm not persuaded that a better and proportionate intervention by Monzo would've unravelled this scam.

### **My final decision**

For the reasons set out above, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 July 2025.

Amy Osborne  
**Ombudsman**