

The complaint

Mr G is unhappy that Monzo Bank Ltd (“Monzo”) won’t refund money he lost as a result of a scam.

What happened

A long-term friend of Mr G recommended that he use a crypto trading company (that I’ll call B). His friend appeared to be doing very well from the investment and claimed he had made lots of profit and had already been able to withdraw from his ‘investment’.

Mr G agreed to invest and sent funds to a crypto exchange, the money was then converted into crypto and sent to B.

Mr G reported the matter to Monzo as Mr G believes Monzo didn’t do enough to protect him. He requested that Monzo refund him a payment he made of £9,750 on 16 October 2023.

Monzo didn’t think it had made an error, so declined his claim. It did though credit Mr G with £100 as it did not think that it investigated Mr G’s complaint sufficiently quickly.

Mr G referred the matter to our service and one of our Investigators thought that Monzo should have questioned the payment. That said though, he did not think an intervention would have changed Mr G’s decision to carry on with the transactions - given the circumstances that led to Mr G investing in the first place.

Mr G didn’t agree. As no agreement could be reached, the case was passed to me for a final decision.

I note that Mr G’s account has since been closed by Monzo. Mr G does not seem to have complained about this, but if he is unhappy that this occurred he would need to direct his concerns to Monzo in the first instance.

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 the investigator for the following reasons.

It isn’t in dispute that Mr G authorised the disputed payments he made from his Monzo account. The payments were requested by him using his legitimate security credentials provided by Monzo. And the starting position is that Monzo ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I’ve considered whether Monzo should have done more to prevent Mr G from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

I think that Monzo should've asked Mr G questions about the payment, to find out what the payment related to. Monzo did not do this. But that does not mean that Monzo is required to refund the payment in question. I say this because I need to consider what is most likely to have happened if Monzo had asked questions about the payment.

Had Monzo asked questions about the payment they would have discovered that Mr G was making the payment to purchase cryptocurrency in order to make an investment on the recommendation of a long-term friend. I think it's likely that Mr G would've assured Monzo if asked that the same person who'd recommend he do this had made a profit and had already been able to withdraw funds - without experiencing any problems and Mr G had seen evidence of this.

So in the circumstances, had Monzo asked questions about the payment, I think it's likely that Mr G would've been able to explain what the payment was for and assured Monzo that people he trusted had done the same.

I am also mindful that the scam did not share the features of common crypto scams at the time. It was not discovered on social media, it was not fronted by a celebrity and remote access was not given by Mr G to the scammer, which are the most common signs of a crypto scam. And finally, there were no official warnings available online about B at the time either. So overall, even if things had gone as they should've with Monzo, I think Mr G would've likely still incurred the loss that he unfortunately experienced. As I don't think a proportionate intervention from Monzo would have uncovered or prevented the scam.

I have thought about whether Monzo could have recovered the funds when the fraud was reported. But I don't think it could've. This is because firstly, the Contingent Reimbursement Model "CRM" does not apply as the payment was made to an account held by Mr G rather than to a third party. I also don't think that Monzo could have recovered the funds from the crypto exchange itself, as the funds had already been forwarded on to B by Mr G. So I don't think that the funds could have been recovered by Monzo.

It therefore follows that I can't reasonably tell Monzo to refund any money to Mr G.

Finally I note that Monzo paid Mr G £100 for delays in its investigation of this matter. Complaint handling is not in itself a regulated activity, so I can't comment as to whether this is appropriate and I can't ask it to do anything more in relation this.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 July 2025.

Charlie Newton
Ombudsman