DRN-5633308

The complaint

Miss S complains that Monzo Bank Ltd won't refund her the money she lost after she fell victim to an Authorised Push Payment ("APP") scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around March 2025, Miss S received a random call regarding a job opportunity. The caller told Miss S the role involved rating videos on a social media platform, for which she would receive a salary and commission.

Believing everything to be genuine Miss S proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Miss S to pay her own money in order to proceed with the work, which included Miss S being told she needed to make a payment to rectify a mistake she'd made on an investment platform that she'd been given access to. Miss S realised she'd been scammed when she was asked to make further payments.

A couple of days later Miss S was contacted again by somebody from another group, who were sadly operating a similar scam and persuaded Miss S to make some further payments. Miss S realised she'd been scammed again, when she was unable to withdraw her money.

The scam saw Miss S moving money to her Monzo account to facilitate payments and then sending money directly to an account she held with a cryptocurrency platform. Once converted into cryptocurrency, the funds were subsequently transferred into accounts that were controlled by the fraudsters.

A breakdown of the payments Miss S sent is detailed below;

Date	Scam	To	Amount
27 March 2025	1	Cryptocurrency platform	£780
15 April 2025	1	Cryptocurrency platform	£1,080
17 April 2025	2	Cryptocurrency platform	£50
24 April 2025	2	Cryptocurrency platform	£140
24 April 2025	2	Cryptocurrency platform	£544

Miss S raised the matter with Monzo, but it didn't uphold her complaint. In summary, it said as Miss S had sent the money to an account in her own name Monzo couldn't be considered the point of loss.

Unhappy with Monzo's response, Miss S brought her complaint to this service. One of our Investigator's looked into things but didn't think the complaint should be upheld. In summary,

he didn't think Monzo missed an opportunity to identify that the payments were being made in relation to a scam.

Miss S didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for a final 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 sorry to hear of what's happened to Miss S, and I can understand entirely why she feels so strongly that this money should be returned to her. But having thought very carefully about Monzo's actions, I think it did act fairly and reasonably in allowing the payments to leave her account. I'll explain why.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Monzo) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams. I've considered whether there was anything about the circumstances surrounding the payments that could have put Monzo on notice that they were being made as part of a scam, but I don't think there was.

Monzo has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day, and it would not be possible or reasonable to expect a bank to check each one. I'm also mindful that many Monzo customers use their accounts to buy cryptocurrency legitimately and Monzo needs to strike a balance between protecting its customers and minimising disruption to legitimate payment journeys.

I don't doubt the payments represented a lot of money to Miss S. But when compared with other payments that Monzo processes daily I don't think they would have been suspicious. I've also considered that when the payments were made, they weren't paid in one large or 'out of character' transaction – rather, they were spread over separate smaller increments which, in my judgment, would not have appeared particularly unusual, such that they ought to have been regarded as suspicious or indicated to Monzo that Miss S might have been at risk of financial harm.

I am mindful that the payments were identifiably being made towards the purchase of cryptocurrency, which can sometimes, but of course not always be indicative of fraud. However, in isolation I don't think this ought to have led to Monzo intervening, and importantly, in the individual circumstances of this case, Miss S wasn't making payments to a new payee, rather she was making payments to a cryptocurrency platform who she had made payments to previously.

There are many thousands of payments made daily for legitimate cryptocurrency transactions and overall and on balance, for the reasons explained above I'm not persuaded the payments Miss S made would have stood out as being remarkable enough to have warranted Monzo to act ahead of processing them.

Alongside this, the payments were made over the period of a number of weeks, rather than in quick succession and there is no obvious pattern around the value of the payments increasing. So, there were other hallmarks that can be indicative of these types of scams, which weren't present in the individual circumstances of this case.

With this in mind, I don't think Monzo made an error in allowing the payments to be progressed or missed an opportunity to prevent the fraud.

Miss S has said that her account had been compromised in the year before the scam, so she believes Monzo should have been monitoring her account more carefully. However, it seems clear that the previous matter related to unauthorised transactions, which was an entirely separate matter. And I don't think I could reasonably have expected that Monzo could have foreseen, from this previous issue that Miss S may later fall victim to an Authorised Push Payment scam. And for reasons already explained, I don't think it made any errors in allowing the payments to be progressed.

Miss S has been brave enough to share with us some details of her circumstances and of how this scam has impacted her. Which I imagine was hard to do, I thank her for this. I don't mean to in any way diminish the difficult personal circumstances Miss S has been faced with, but I can't see that the bank would have been aware of any vulnerabilities she had prior to the scam, so there was no reason for it to think she might be at higher risk of financial harm from fraud, such that it could have put other reasonable adjustments in place to protect Miss S.

Finally, I've also considered if Monzo could have done more to help Miss S recover the funds when she reported the scam. But as the funds were subsequently moved on from accounts in Miss S's own name to the fraudsters, by way of cryptocurrency, they didn't remain in the account they were sent to directly, meaning Monzo unfortunately couldn't have recovered the loss.

I have a great deal of sympathy with Miss S being the victim of what was clearly a cruel scam that has had a significant impact on her. But it would only be fair for me to direct Monzo to refund her loss if I thought it was responsible for the failure that caused it. And for the reasons I've explained, I'm not persuaded that it would've been able to prevent Miss S' loss.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 December 2025.

Stephen Wise
Ombudsman