

The complaint

Mr R complains that Monzo Bank Ltd didn't do enough to protect him from the financial harm caused by an employment scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr R received a WhatsApp message from someone I'll refer to as "the scammer" who offered him a home-working opportunity which would require him to simulate the purchase of items using a website I'll refer to as "T". The scammer explained he'd been required to make payments in cryptocurrency to simulate buying the items, and for that he would earn a commission on each 'task', which he would receive upon completion of a set of 40 tasks.

The scammer told Mr R he could earn up to £200 per day and added him to a Telegram group with others doing the same role. She asked him to first purchase cryptocurrency through cryptocurrency exchange companies and then load it onto an online wallet. Mr R funded his Monzo account with money from his other bank accounts, and between 27 January 2025 and 4 February 2025, he made 6 debit card payments and three faster payments to two cryptocurrency exchanges totalling £17,155.

When Mr R ran out of money, the scammer encouraged to take out loans or borrow from family and friends, and he realised he'd been scammed when he was unable to make a withdrawal from the platform.

He complained to Monzo, but it refused to refund any of the money he'd lost and so he complained to this service with the assistance of a representative.

Our investigator has recommended that the complaint should be upheld. She thought Monzo ought to have intervened when Mr R made the £2,200 payment on 30 January 2025 because it brought the cumulative total for the three payments he'd made that day to £3,970, and it would have known he was paying a cryptocurrency provider. She explained that Monzo should have asked Mr R about the purpose of the payment, and as there was no evidence that he'd been coached to lie, it's likely Monzo would have uncovered the scam.

Our investigator was further satisfied that as Mr R had already expressed concerns to the scammer, tailored warnings would've stopped him from making any further payments. So, she thought Monzo should refund his loss from that payment onwards, with a 50% reduction for contributory negligence.

Finally, she was satisfied that if Monzo contacted the receiving bank as soon as it was aware of the fraud, this wouldn't have made a difference because the money had already been removed from the receiving account. And as Mr R had paid a legitimate cryptocurrency exchange and would have received a service, there wasn't a reasonable prospect of success, so she was satisfied that Monzo's decision not to raise chargebacks was fair.

Monzo has asked for the complaint to be reviewed by an Ombudsman. It has argued that the payments weren't viewed as high risk because Mr R was paying an account in his own name, most cryptocurrency spending is legitimate, and an increase in spending to this kind of merchant isn't unusual.

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've reached the same conclusion as our investigator. And for largely the same reasons.

I'm satisfied Mr R 'authorised' the payments for the purposes of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr R is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr R didn't intend his money to go to scammers, he did authorise the disputed payments. Monzo is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

I've thought about whether Monzo could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to a genuine cryptocurrency exchange company. However, Monzo ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr R when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Monzo to intervene with a view to protecting Mr R from financial harm due to fraud.

I've considered the nature of the payments in the context of whether they were unusual or uncharacteristic of how Mr R normally ran his account, and I think they were. All the payments were to legitimate cryptocurrency exchanges, but Mr R was sending funds to a high-risk cryptocurrency merchant, and by the time he made the third payment on 30 January 2025, the cumulative total for the day was £3,970. So, Monzo ought to have intervened.

In January 2025, a proportionate response would have been for Monzo to have asked Mr R why he was making the payment. Had it done so, I agree with our investigator that as there's no evidence that Mr R was coached to lie, it's likely that he'd have explained that he was buying cryptocurrency to pay for tasks he expected to be paid for. And that he'd been contacted about the opportunity via WhatsApp. As these are all red flags for fraud, Monzo would have uncovered the scam and so it should then have given warnings tailored to job scams, with advice on additional due diligence.

As Mr R had already expressed concerns to the scammer, I think it's likely that he'd have listened to a warning from his bank and decided not to make any further payments. Therefore, as I'm satisfied Monzo missed an opportunity to prevent Mr R's loss, I think it should refund his loss from that point onwards.

Contributory negligence

Mr R had been looking for work and so I don't think it's unreasonable that he didn't raise questions when the scammer initially contacted him. However, I think he should reasonably have questioned why he was being asked to make payments in cryptocurrency for tasks he expected to be paid for, and whether the commission was realistic, considering the role required no experience or training and he wasn't given any employment documents.

Having considered the circumstances of this scam, I'm satisfied it was sophisticated, and I don't think it was unreasonable for Mr R to have thought the job was genuine. But there's plenty of information available online which could have alerted him to the scam, and the evidence shows he had concerns at the outset having been shown a warning by one of the cryptocurrency exchanges, so, if he'd done more than simply directing those concerns to the scammer, his loss could have been prevented. So, I think the settlement should be reduced by 50% for contributory negligence.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr R paid accounts in his own name and moved the funds onwards from there.

I've thought about whether Monzo could have done more to recover the card payments when Mr R reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Monzo) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Mr R).

Mr R's own testimony supports that he used cryptocurrency exchanges to facilitate the transfers to B. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Mr R's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Monzo's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

Compensation

The main cause for the upset was the scammer who persuaded Mr R to part with his funds. I haven't found any errors or delays to Monzo's investigation, so I don't think he is entitled to any compensation.

My final decision

My final decision is that Monzo Bank Ltd should:

- refund the money Mr R lost from payment six onwards.
- this settlement should be reduced by 50% to reflect contributory negligence.
- pay 8% simple interest*, per year, from the respective dates of loss to the date of settlement.

*If Monzo Bank Ltd deducts tax in relation to the interest element of this award it should provide Mr R with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 December 2025.

Carolyn Bonnell
Ombudsman