

The complaint

Ms V is unhappy that Monzo Bank Ltd won't reimburse the money she lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Ms V booked accommodation abroad with an online travel platform (who I will refer to as "M"). She planned to stay in a luxury tent with two other members of her family.

Ms V said she had used M to book flights previously and that M had also been recommended by a friend. When Ms V arrived at the airport she couldn't locate the accommodation despite discussing it with local taxi drivers and checking Google maps. She couldn't get through to M so in the end she stayed at a nearby hotel paying an extra fee to do so. Ms V said she tried getting through to M the next day but couldn't so she booked flights out the area for an extra cost of £100 (which wasn't paid for using her Monzo account).

Ms V was unhappy with the significant amount of distress caused to her and her family. She paid £195.81 for her accommodation in February 2025 using her Monzo card.

Ms V raised a complaint with Monzo. It didn't think it had done anything wrong by allowing the payment to go through. It also didn't agree to a refund under the chargeback rules. So, Ms V brought her complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator didn't think the payment Ms V made was unusual and so he didn't feel Monzo should have identified a scam risk. The investigator also didn't think Monzo had acted incorrectly when declining a refund under the chargeback rules.

Ms V didn't agree. In summary she said, Monzo should have intervened on the payment regardless of her recent spending history, she explained that M's lack of communication made it complicit in the scam and that it wasn't a reputable merchant. She also felt the chargeback process hadn't been investigated effectively.

Ms V's complaint has now been passed to me for review and a 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 Ms V, and I understand why she feels the money should be refunded. However, I don't find that Monzo has acted unfairly in declining Ms V's claim and deciding not to refund the money. I'll explain why.

Whether someone has been scammed, or the matter is a civil dispute can be finely balanced. In this instance Ms V knowingly made the payment, so it's an authorised push payment (APP). But for me to be satisfied someone has been the victim of an APP scam, I need evidence to show the customer has been dishonestly deceived about the purpose of the payments at the time they were made. However, I don't have sufficient evidence to show Ms V was dishonestly deceived at the time. The documents supplied by Ms V and M make it clear that she was purchasing a stay with M and that the accommodation was non-refundable. I appreciate that the destination of the stay couldn't be found but an address is included in the booking and M seems to be a legitimate company so, I can't reasonably conclude that she has fallen victim to a scam. However, I don't think this makes a difference to the outcome of Ms V's complaint because, like the Investigator, I don't think Monzo ought reasonably to have identified the payment as suspicious or out of character, such that it ought to have intervened. So, I'm going to proceed on the basis that Ms V did suffer a loss to the scam she's described.

In broad terms, the starting position at law is that a bank such as Monzo is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in February 2025 that Monzo should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

Taking the above into consideration, in this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Ms V when the transaction was made, or whether it should have done more than it did.

I've reviewed Ms V's account statements, and I can't conclude that the payment made to the scam would have looked particularly unusual or suspicious to Monzo. Although I appreciate that the payment may have represented a lot of money to Ms V, it was simply not of a value where I'd usually expect Monzo to be concerned that Ms V was at a heightened risk of financial harm. Ms V had only made one payment, rather than multiple payments in quick succession, which can sometimes indicate a customer is falling for a scam, so it would have been difficult for Monzo to identify that a scam was unfolding based on the circumstances.

I've kept in mind that banks such as Monzo process high volumes of transactions each day. There is a balance for Monzo to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate. And taking all the circumstances into account here, I don't think it was unreasonable for Monzo not to view the payment as suspicious, such that it should have carried out any additional checks or given an additional warning before processing the payment. So, I've not found that Monzo ought to have done any more to prevent the scam payment Ms V made.

Ms V is unhappy with the outcome of her chargeback claim. So, I've also thought about whether Monzo could have done more to recover Ms V's payment after she raised concerns about it.

Monzo attempted recovery through the chargeback scheme. This is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Monzo is bound by the card scheme provider's chargeback rules, (in this case Mastercard). It is not a guaranteed way of getting a refund and there are limited grounds on which a chargeback can succeed or be deemed a 'valid claim'.

Our role in such cases is not to second-guess the card scheme rules, but to determine whether the regulated card issuer, so here Monzo, acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its customer.

I can see that Monzo worked with MasterCard to deal with the claim requesting information from both Ms V and M. M responded with evidence to show the communication it had with Ms V at the time of the booking. This included system screenshots detailing the booking, confirmation of the location of the accommodation, that it was available to use and that the accommodation was non-refundable. Based on the evidence provided I'm satisfied that Monzo's decision to defend the chargeback wasn't unfair in the circumstances of the complaint. Monzo acted reasonably, and as I would expect, by raising the chargeback but, ultimately, it was successfully defended.

I have also looked at the contact between Ms V and Monzo. It asked relevant questions in a timely manner, chasing Ms V when it didn't receive responses, so in the circumstances, I won't be asking it to do anything further with regards to its handling of the claim.

I'm sorry to disappoint Ms V further but it would only be fair for me to ask Monzo to refund the payment if I thought it had been lost as the result of a scam and that Monzo was responsible for it. As I'm not persuaded that this was the case, I don't think Monzo needs to do anything further.

My final decision

My final decision is that I do not uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 20 February 2026.

Aleya Khanom
Ombudsman