

The complaint

Mr H is being represented by solicitors. He's complaining about Monzo Bank Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr H fell victim to a cruel job scam. He says he was approached by someone claiming to be a recruiter who put him in touch with a scam company offering online work. He'd be required to complete sets of tasks that he'd pay for using cryptocurrency and would receive commission in return when those tasks were completed.

As advised by the scammer, Mr H set up a new account with Monzo from which he made the following payments to two cryptocurrency exchanges in September 2023:

No.	Date	Amount £
1	18 Sep	50
2	20 Sep	45
3	20 Sep	26.85
4	21 Sep	50.40
5	21 Sep	137.70
6	21 Sep	41.17
7	22 Sep	231.65
8	22 Sep	474.91
9	22 Sep	1,356.04
10	22 Sep	3,273.20
11	23 Sep	2,566.91

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I didn't think it should be upheld. My reasons were as follows:

In broad terms, the starting position at law is that a bank such as Monzo is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

In this case, there's no dispute that Mr H authorised the above payments.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr H.

The payments

I must take into account that many similar payment instructions Monzo receives will be entirely legitimate and I'm conscious this was a new account, meaning and there was no history of past activity against which these payments might have looked suspicious. I also need to be mindful of Monzo's responsibility to make payments promptly.

Having considered what Monzo knew about the payments 1 to 8 at the time it received Mr H's instructions, I'm not persuaded it ought to have been particularly concerned about them. While it would have known the payments were being used to purchase cryptocurrency, which meant the risk they were part of a scam was greater, the amounts involved were low. Also, when Mr H applied to open his account, he was asked what he'd be using it for and one of the reasons he gave was purchasing cryptocurrency.

When it received Mr H's instruction for payment 9, Monzo paused the payment until one of its agents had spoken to him via its online chat function. During the chat, the agent asked about the payments to cryptocurrency and Mr H said "These payments are towards investments". At this stage I don't think there was any particular reason for Monzo to question whether this was correct. The fact Mr H has said a payment of £379 received into his account at this time was from the sale of cryptocurrency (and not related to the scam) would only have served to support the answer he gave.

Before unblocking the account, I do believe Monzo should have gone further. While there was no reason to doubt Mr H was investing as he'd said, there was a risk that any investment he was making was part of a scam. In the circumstances, I think a proportionate response to the risk the payment presented would have been to show a tailored warning setting out some of the common features of cryptocurrency investment scams. This would have allowed Mr H to make an informed decision about whether to continue with the payment.

It's unfortunate Monzo didn't carry out a more robust intervention in the way I've described. But in the circumstances of this case, I don't think the outcome was likely to have been any different if it had done. I say this because Mr H wasn't the victim of an investment scam. So he wouldn't have recognised any of the common features in his own situation and it's unlikely the warning would have resonated with him.

The effectiveness of any intervention by a bank does depend to some extent on the consumer providing accurate information about the payments they're making. I understand Mr H has said he answered Monzo's enquiries as he'd been instructed to by the scammer, but the fact he didn't provide accurate information meant it didn't know he was paying money for online work and wasn't in a position to provide a tailored warning about job scams that might have opened his eyes to the scam.

There's a case for saying Monzo should have questioned Mr H further about payments 10 and 11 as well, given their proximity and the increasing amounts. But there's no reason to think Mr H would have been any more forthcoming about what was really going on if it had done. So I think any further intervention at this stage would ultimately have failed to stop the scam for the same reasons.

I want to be clear that it's not my intention to suggest Mr H is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Monzo and, having done so, I'm not persuaded these were the cause of his losses.

Recovery of funds

I've also looked at whether Monzo could or should have done more to try and recover Mr H's losses once it was aware that the payments were the result of fraud.

I understand Monzo did try to recover money from the recipients but unfortunately these attempts were unsuccessful. That's not surprising as it's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery.

I'm also mindful that Mr H transferred funds to a legitimate cryptocurrency account in his own name. From there, he purchased cryptocurrency and moved it to a wallet address of his choosing (albeit on the scammers' instructions). Monzo could only try to recover the funds from his own account and it appears all the money had already been moved on and, if not, anything that was left would still have been available to him to access.

As some of the payments were card payments, I've considered whether Monzo should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

I'd only expect Monzo to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mr H paid legitimate cryptocurrency exchanges and would have received a service that involved changing his money into cryptocurrency before sending it to the wallet address he supplied it with. Mr H's disagreement is with the scammer, not the cryptocurrency exchanges and it wouldn't have been possible for Monzo to process a chargeback claim against the scammer as he didn't pay them directly.

With these points in mind, I don't think anything that Monzo could have done differently would likely to have led to these payments being recovered successfully.

In conclusion

I recognise Mr H has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Monzo would have made a difference to the eventual outcome and I won't be telling it to make any refund.

The responses to my provisional decision

Mr H's representative confirmed his acceptance of my provisional decision and Monzo confirmed it had nothing to add.

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.

As neither party has made any further submissions, my findings haven't changed from those I set out previously.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 July 2025.

James Biles
Ombudsman