

The complaint

Mr G and Miss L say that Monzo Bank Ltd didn't do enough to protect Miss L when she became the victim of a scam and would like Monzo to refund the money that she lost.

What happened

Mr G and Miss L hold a joint account with Monzo, so have brought this complaint together. But as it is Miss L who has been the victim of the scam, I will continue to refer to her throughout my decision.

The facts of this case are well known to both parties, so I won't go into much detail here. Miss L says that she was contacted by phone about a remote job. She says she wasn't surprised to receive the call as the individual (who I will refer to as 'the scammer') said that they had found her details through a well-known online recruitment business which Miss L had been using to apply for jobs.

The scammer instructed Miss L to send a message to a mobile number and she then received further details, with instructions to set up cryptocurrency accounts. Miss L found the scammer's explanation convincing and was reassured to receive some initial payments from the scammer. Miss L was told she needed to invest her own money, which would be returned to her together with commission after completing daily tasks.

Miss L realised she was the victim of a scam when, after transferring almost £3,000 and receiving nothing back, the scammer asked for more money.

Monzo offered £100 compensation but declined to refund the transactions because Miss L transferred money to crypto accounts in her own name and from there on to the scammer. Miss L made the following payments as part of scam:

	Date	Time	Transaction details	Amount	Refunded/returned?
1	24 January 2025	12:18	Payment received from scammer	£5	No
2	24 January 2025	18:27	Payment received from scammer	£10	No
3	25 January 2025	12:40	Payment received from scammer	£26	No
4	26 January 2025	13:06	Apple/Google Pay (Mastercard) to crypto merchant	£300	No
5	26 January 2025	14:44	Apple/Google Pay (Mastercard) to crypto merchant	£0.10	Refunded 3 February 2025
6	26 January 2025	14:50	Mastercard to crypto merchant	£800	Returned 26 January 2025 14:50
7	26 January 2025	14:52	Mastercard to crypto merchant	£800	Returned 26 January 2025 14:52

8	26 January 2025	14:53	Mastercard to crypto merchant	£800	Returned 26 January 2025 14:53
9	26 January 2025	14:54	Mastercard to crypto merchant	£800	Returned 26 January 2025 14:54
10	26 January 2025	15:15	Faster payment to crypto merchant	£800	No
11	26 January 2025	20:16	Faster payment to crypto merchant	£1,600	No

Our investigation so far

Our investigator upheld Miss L's complaint. In summary he thought that by the time Miss L attempted the fourth payment of £800 (transaction 9 on the above table), Monzo should have intervened. This was due to the increasing value of payments and attempted payments to a known cryptocurrency provider.

Our investigator thought that by the time the payments were made in January 2025, Monzo should have asked a series of questions about the payment, after which it should have provided a warning covering the key features of the scam risk identified.

Our investigator thought that if Monzo had intervened appropriately, it would have identified that Miss L may have been falling victim to a job scam. Our investigator didn't have reason to believe that Miss L would have lied about the purpose of the payments if asked. And our investigator thought it likely a tailored warning would have resonated with Miss L and thereby prevented her subsequent losses.

As our investigator thought that Miss L could have taken more care to research the job opportunity before making the payments, he asked Monzo to refund 50% of the last two payments made on 26 January 2025 together with interest.

Miss L agreed with the investigation outcome but Monzo did not. It said the payments made were within Miss L's daily limits and were made in favour of a widely used cryptocurrency merchant. Monzo said that not only is it not possible to intervene in every such transaction but that there are no regulatory obligations on it to do so.

Monzo pointed out that Miss L had only recently used the account (it having been dormant for some time) so it was difficult to have established a spending pattern.

Monzo said that it isn't responsible for instructing customers to carry out independent research before making payments. That responsibility lies with its customers. So, it doesn't agree that it missed the opportunity to prevent Miss L's loss by warning her to carry out independent research about the alleged job opportunity.

Overall, Monzo doesn't think that there were any clear fraud indicators in Miss L's case, so it should not be required to refund any payments made.

As Monzo disagreed with the investigation outcome, the complaint came to me to decide. After considering everything, I decided to uphold the complaint but only intended to ask Monzo to refund 50% of the final transaction and not the previous transaction as recommended by our investigator. I issued a provisional decision on 30 June 2025 which said:

In deciding what's fair and reasonable in all the circumstances of a complaint, I am required to take into account relevant: law and regulations; regulators' rules, guidance,

and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

I am sorry to disappoint Miss L but having considered her complaint, I only intend asking Monzo to refund 50% of the final transaction and not the previous transaction as recommended by our investigator and will explain why.

I don't think it is in dispute here that Miss L was taken in by a scam – and while she never intended her money to end up with a scammer, she authorised the payments – and so is presumed liable in the first instance.

Although Miss L says she didn't open the cryptocurrency account herself, it seems from reading the chat she had with Monzo, that she followed instructions to open the account and was shown by the scammer how to invest and withdraw funds. So for completeness, the Contingent Reimbursement Model Code doesn't apply in this case.

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 2017 and the terms and conditions of the customer's account. And I have taken this into account when deciding what's fair and reasonable in this complaint.

That said, as a matter of good practice, Monzo should have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks like Monzo need to be alert to fraud and scams and to protect their customers from fraud, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Monzo should fairly and reasonably:

- 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 banks are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud;
- 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, enable it to do so; and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example, the common use of multi-stage fraud by scammers, including the use of payments to

cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers when deciding whether to intervene.

In this case, I need to decide whether Monzo acted fairly and reasonably in its' dealings with Miss L when she authorised the payments from her account or whether it could and should have done more before processing them.

I agree with our investigator that by January 2025 Monzo ought to have been aware of the prevalence of job scams and the trend in victims being asked to buy cryptocurrency for a range of reasons including releasing tasks and avoiding having negative balances. However, I don't agree that the four failed payments to the same crypto currency merchant should have prompted Monzo to intervene on payment 10. I say this because Monzo has confirmed that it didn't stop or block these payments. Instead, the cryptocurrency merchant didn't accept the attempted card payments. As Monzo wasn't involved with the reversed transactions, I don't consider the fact that Miss L attempted the payment multiple times, should, in of itself have led Monzo to consider the possibility that she might be falling victim to a scam. Particularly as the previous payment to the same cryptocurrency merchant was for only £300 – a relatively small amount, with little reason to cause concern. So at the point that Miss L successfully paid the crypto merchant £800 on 26 January 2025, I don't consider it unreasonable that Monzo didn't intervene in the transaction.

However, I do think that when Miss L made the final payment to the cryptocurrency merchant Monzo should have intervened. This was a significant jump in value from the previous transaction – double the amount. And it took the combined value of cryptocurrency related transactions to just under £3,000 in the same day.

Although Miss L hadn't used her Monzo account for some time, she'd not made any cryptocurrency payments until the disputed payments in January 2025. So, even though some large payments had previously debited the account, this doesn't mean the payments to the cryptocurrency merchant - escalating in value from the previous successful payment and made on the same day - should not have appeared unusual enough to have warranted an intervention by Monzo.

I've also taken into consideration the fact that Monzo ought to have been mindful of the potential risk to Miss L of 'multi-stage' fraud – whereby victims are instructed to move funds through one or more legitimate account(s) held in the customer's own name to a fraudster. The use of, and risks to, customers of multi-stage fraud were well known to banks when this scam occurred in in 2025.

I would have reasonably expected Monzo to try and establish the purpose of the final transaction, probably in the chat, with a view to ascertaining whether Miss L might be falling victim to a scam. And if so, what type of scam, so that Monzo could provide a tailored warning.

Miss L says she hadn't been coached to lie or mislead Monzo about the reason for the transaction. So, I think it likely that Miss L would have been honest and explained that she was buying cryptocurrency. I think Monzo should have then asked why she was doing this, at which point I consider it more likely than not, Miss L would have discussed her job with the scammer or that she was completing tasks to earn an income.

Given all that I have said above, I don't agree that Monzo is not liable simply because the money was transferred to a cryptocurrency account and the fraud then happened from there.

I've gone on to consider whether Miss L should bear any responsibility for her loss. In doing so, I've considered what the law says about contributory negligence. As well as I what I consider to be fair and reasonable in all the circumstances of this complaint. On balance, I think she should bear some responsibility for the following reasons:

- Miss L received unexpected contact from someone who said they had found her details from a recruitment company. But there was no evidence that the person she spoke to or who she subsequently messaged was from a genuine company. It is unusual to receive contact about genuine roles in this way.
- The nature of the job was unusual and implausible. The scammer told Miss L that she should earn daily commission of between £150 - £280 simply for liking posts - a large amount for a simple task-based role. I think this should have prompted Miss L to complete some research.
- Miss L didn't receive any paperwork as part of the supposed job and wasn't prompted to sign anything online.
- The scammer asked Miss L to buy and transfer cryptocurrency in connection with the job. But no legitimate employer would ask an employee to pay money in this way to receive a salary.
- When the scammer told Miss L to transfer £1,600, she had concerns and asked to speak to the scammer for reassurance - "So I know this isn't a scam" and "I don't think I'll get my money back". Miss L admits that she didn't receive a call but went on to make the payment as she thought it the only way to get the money promised by the scammer.

Overall, I consider it fair that Monzo refunds 50% of the last disputed transaction - £1,600. Miss L has already accepted our investigator's recommendation on this point— although I appreciate this was on the basis that she expected to receive 50% refunds of the last two transactions, not just the last one as I am proposing.

Finally, Monzo has already apologised for the delay in its wellbeing team reaching out to her and has paid £100 compensation. This seems fair, so I don't require Monzo to pay additional compensation as part of resolving Miss L's complaint.

Further submissions

Miss L accepts my provisional decision but Monzo does not.

Monzo doesn't agree that the £1,600 payment was unusual in the broader context and doesn't think it should have raised concerns. It says that customers are entitled to make one-off large payments and that the transaction fell within the customer's existing daily limits. Monzo says Miss L sent the money to a legitimate merchant and points out that, as a crypto-friendly bank, it is not proportionate to intervene in every crypto related transaction, particularly where there are no strong indicators of risk or vulnerability.

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 don't wish to appear dismissive of the points Monzo has made, but I don't think these add anything new to the comments it previously provided to our investigator. My provisional decision took account of Monzo's earlier comments and addressed why I still thought Monzo

should have intervened in the last payment. Despite what Monzo says about being a crypto-friendly bank, I don't consider this detracts from the fact that the final payment appeared unusual enough for Miss L – a customer without a history of making crypto related transactions - to have warranted an intervention. So, Monzo's comments in response to my provisional decision don't change my decision to uphold Miss L's complaint.

Putting things right

To put things right, Monzo should:

- Refund 50% of the transaction marked 11 on the table set out above; and
- Pay 8% interest on the refunded transaction from the date of loss to the date of settlement.

My final decision

My final decision is that I uphold this complaint and direct Monzo Bank Ltd to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Miss L to accept or reject my decision before 1 August 2025.

Gemma Bowen
Ombudsman