

## **The complaint**

Mr L complains that Monzo Bank Ltd ('Monzo') won't refund him the money he lost after he fell victim to an Authorised Push Payment ('APP') scam.

## **What happened**

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all again here. But in summary, I understand it to be as follows.

In or around August 2024, Mr L became aware of an investment opportunity through a well-known social media platform. The investment involved cryptocurrency trading and Mr L said it promised fantastic returns. Believing everything to be genuine, Mr L proceeded, but unknown to him at the time, he had been contacted by fraudsters.

Between 7 September 2024 and 18 October 2024, Mr L made a number of transactions, totalling over £20,000, through his Monzo account which he'd opened after having difficulty purchasing cryptocurrency from other payment service providers he held accounts with. The scam saw Mr L moving money between accounts he held with other banking providers to facilitate payments and making faster payments to purchase cryptocurrency through 'peer-to-peer' (P2P) exchange platforms, as well as purchasing cryptocurrency from platforms he held an account with. His payments were then converted into cryptocurrency and subsequently transferred into accounts that were controlled by the fraudsters.

Mr L realised he'd been scammed when he was unable to withdraw any of the money he had sent and was asked by the fraudsters to make further payments in order to make withdrawals.

Mr L raised this matter with Monzo, but it didn't uphold his complaint. In summary, it said it had reached out to Mr L on multiple occasions to check the payments were legitimate and to explain that the payments could be part of a scam. It said it was satisfied its fraud and scam measures had functioned as expected.

Unhappy with Monzo's response, Mr L brought his complaint to this service. One of our Investigators looked into things but didn't think the complaint should be upheld. In summary, our Investigator said that Mr L had provided inaccurate information to Monzo, which had misled it and he was persistent in wanting to make the payments, despite attempts from Monzo to intervene.

Mr L 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.

Mr L, in response to our Investigator's view, has provided some very detailed and what I'd consider legalistic arguments as to why he thinks Monzo is liable to reimburse him the money he has lost. I won't be responding in kind, and I won't necessarily go through every single point on a strict point-by-point basis, nor go through all the potentially relevant rules line-by-line, as a court might.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought about everything carefully, I agree with our Investigator, and I don't think Monzo is responsible for refunding the money Mr L sadly lost. I'm sorry to hear that Mr L has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him.

In broad terms, as a starting point in law, Monzo has an obligation to carry out payment instructions given to it by its customers. In short, a customer will normally be presumed liable for payments they instruct their bank to make on their behalf.

Some reimbursement schemes exist to provide additional protection to customers from the financial impact of scams; however, these don't apply to all scam payments. Mr L's payments aren't covered by the Lending Standards Board's Contingent Reimbursement Model Code (the CRM Code). The CRM Code has no application to payments made for the purchase of cryptocurrency through peer-to-peer transfers or where funds are used to credit the customer's own account. Neither do the PSR's recently introduced reimbursement rules apply in those situations (nor, in any event are those new rules retrospective).

However, that is not the end of the matter. As a matter of good industry practice, I consider it is fair and reasonable to expect Monzo to have been on the lookout for the possibility of harm through fraud, and further, to have taken additional steps or made additional checks, before processing payments in some circumstances.

Where a payment, or series of payments, was significantly out of character or unusual for an account, or where there were other features that might have prompted concerns of fraud or a scam, that means I'd expect Monzo to have intervened in a proportionate way to establish more information about the circumstances. But this in and of itself, isn't enough for me to say that Monzo should refund Mr L the money he lost. I'd also need to be persuaded that its intervention would have made a difference and prevented the payments from being made.

It seems clear to me here that Monzo did have some concerns about the payments Mr L was making. On several occasions, it blocked payments, only allowing them to progress after having a conversation (either verbally or through its in-app chat) with Mr L and providing him with scam warnings, based on what it considered to be the apparent risk, given what Mr L was telling it and what it knew.

Sadly, it seems to me, and I'm satisfied this is supported by the evidence, that Mr L was so entrenched in his belief that this was a legitimate investment and so determined to make the payments, that he chose to move past attempts Monzo made to warn him and I don't think I can fairly or reasonably say that Monzo missed an opportunity to break the spell that he was unfortunately under. Indeed I'm inclined to say that Mr L was so under the spell of the fraudster and determined to make these payments that he went as far as misleading the

bank, by giving it inaccurate information around the purpose of one of the payments, saying it was for the purchase of clothes to send abroad – seemingly to try and foil the attempts Monzo was making to protect him.

Monzo first intervened on a payment Mr L was attempting on 12 September 2024. When considering the activity on Mr L's account, I think this intervention came sooner from Monzo than I would reasonably have expected. In the exchange of messages in the days that followed, Monzo explained to Mr L that it was worried the payment may be part of an investment scam, provided Mr L with a warning covering some of the key hallmarks of investment scams, blocked the payment and stopped Mr L from being able to send money to the payee (which was identifiably related to cryptocurrency).

In response, Mr L told Monzo that this was not a scam, that he was paying money to his own account and there was no suspicion and that Monzo's intervention didn't make any sense and that he was frustrated with its persistence – telling it he was quite aware of what are scams and what are not. Following this Monzo unrestricted Mr L's account – however the payment (from 12 September 2024) didn't go through, and it doesn't appear Mr L attempted to make any further payments to this cryptocurrency platform. Rather, from here the payments were made through P2P exchanges.

Following further payments being made from Mr L's account, Monzo intervened again on 18 October 2024 and restricted Mr L's account. Mr L noted to Monzo that while it seemed reasonable to restrict payments he was making to others, it was heavy handed and unnecessary to restrict transfers to one's own accounts. The following day Mr L spoke to Monzo, and he told it he was making payments to get clothes to send abroad. When Monzo asked for evidence of this, Mr L went on to ask Monzo to cancel the payment, unblock his account and threatened Monzo with legal action if it didn't unfreeze the account.

Sadly, in the individual circumstances of this case, it seems to me that Mr L was resolute in his dedication to make the payments and even if further intervention had gone as far as preventing him from making payments and blocking his account, he'd have simply sent the funds from another of his accounts. Which I'm satisfied is evidenced and supported by what he done in the circumstances of this case where, when he had tried to make payments unsuccessfully from accounts he held with other payment service providers, he moved to making payments from elsewhere, including opening a new Monzo account to help to facilitate the payments. I also note that Mr L was conveying to the fraudsters, through the messages they were exchanging, how he considered the various payment providers interventions as foolish.

Overall, with all things considered and given the circumstances, I don't think Monzo can fairly be held responsible for Mr L's loss. In the individual circumstances of this case, I think Monzo intervened proportionately and I don't consider it missed an opportunity to have stopped Mr L from making these payments.

Thinking next about the recovery of payments, given Mr L sent the money from Monzo by way of transferring money directly to P2P cryptocurrency sellers or to cryptocurrency wallets he held himself – there would have been no opportunity for Monzo to have recovered any of the money he sadly lost.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Mr L. It's very unfortunate Mr L has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for him. But in the circumstances, having carefully considered everything, I don't find Monzo could have reasonably prevented Mr L's loss here. Neither do I find there were any other failings on Monzo's part that would lead me to uphold this

complaint.

**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 Mr L to accept or reject my decision before 3 December 2025.

Stephen Wise  
**Ombudsman**