

## The complaint

Mr H complains that Monzo Bank Ltd ('Monzo') won't refund him the money he lost after he fell victim to a scam.

In bringing his complaint to this service Mr H is represented, but for ease of reading I will refer to Mr H, throughout this decision.

## What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

From early in 2024, Mr H had sought out and invested in a number of different investment opportunities. In May 2024, Mr H approached somebody, who I'll refer to as B, about a 14-day investment programme focussed on gold trading, with a company I'll refer to as "C". Mr H was told that with \$300, a 14-day investment would yield \$15,600, with a 2-day investment yielding \$3,900. Believing everything to be genuine, Mr H decided to invest. But unknown to him at the time he was dealing with fraudsters.

To facilitate the payments, Mr H sent payments to a cryptocurrency account in his own name. The funds were subsequently moved onto accounts that the fraudsters controlled.

A breakdown of the payments Mr H made from his Monzo account is listed below:

Payment	Date	Amount	Destination
1	21/05/2024	£250.00	Cryptocurrency platform
2	06/06/2024	£140.00	Cryptocurrency platform
3	06/06/2024	£10.00	Cryptocurrency platform
4	10/06/2024	£2,700.00	Cryptocurrency platform
5	08/07/2024	£3,250.00	Cryptocurrency platform
6	22/07/2024	£1,550.00	Cryptocurrency platform

Mr H has said he realised he'd been scammed when he was unable to make any withdrawals.

Mr H raised the matter with Monzo, but it didn't uphold his complaint. In summary, it said the payments that were sent from Monzo weren't the scam payments. Rather, it said, the loss had occurred from the cryptocurrency platform and so it didn't think it was liable for Mr H's loss.

Unhappy with Monzo's response, Mr H brought his complaint to this service. One of our Investigators looked into things but didn't think the complaint should be upheld. In summary, this was because our Investigator didn't think, when taking into account the activity on the account in the months leading up to the scam, that the payments would have appeared as suspicious or out of character. So, they didn't think Monzo had made any errors in allowing

the payments to be progressed. Our Investigator also didn't think Monzo had missed any opportunity to recover the money Mr H had lost.

Mr H didn't agree with our Investigator's view. In summary, Mr H raised that he had fallen victim to three different scams (from January 2024) onwards, which all involved payments being made from his Monzo account to the account he held with the cryptocurrency platform. He thinks the activity on his account should be considered collectively, which would show nearly £50,000 being made to the same cryptocurrency platform. Overall, Mr H thought Monzo failed to detect high risk behaviour.

Our Investigator responded to Mr H, explaining that the three investment opportunities were all different, they were not linked in anyway and Mr H had found them separately through different people – the only similarity being that Mr H had sent money through his cryptocurrency account and then on to the fraudsters. The Investigator added that the circumstances for each of the investments differed, so they had to be considered as separate complaints.

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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Mr H authorised the payments in question, so that means he is liable for them in the first instance, even though he was the victim of a scam.

Monzo had agreed to follow the principles of the Lending Standards Board's Contingent Reimbursement Model (CRM Code), which was in place at the time these payments were made. Under certain circumstances, the CRM Code can require that firms reimburse customers who have fallen victim to scams. However, the CRM Code requires a customer to transfer funds to 'another person'. The payments Mr H made from his Monzo account went to an account in his own name – his cryptocurrency account, before being moved on. So, the payments aren't covered by or within the scope of the CRM Code. This is because Mr H wasn't paying 'another person'. This means the CRM Code isn't an applicable consideration in this case.

However, that is not the end of the story. The regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victim to scams.

So, in this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr H when it processed the payments, or whether it should have done more than it did. Monzo has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. Having reviewed the activity on Mr H's account for the months leading up to the scam, I don't think the payments made here would have given Monzo any cause for concern.

I say that as when comparing the payments Mr H made to the fraudsters, against his typical account activity in the months leading up to the scam, I'm not persuaded that the activity was

so unusual or out of character that I would have expected Monzo to have identified Mr H may have been at risk of financial harm. There are other payments in the months leading up to the scam for similar amounts or more. Alongside this, Mr H was making payments to an existing payee, to whom he had made larger transactions previously. As well as this, the payments here were spread out over several weeks, so there wasn't a pattern of payments being made in very quick succession, which can sometimes, but of course not always, be indicative of fraud.

I'm mindful Mr H's representatives have said that activity on Mr H's account should be considered collectively, given that he'd fallen victim to multiple scams. However, a firm's responsibility is to prevent financial harm in relation to the payment its customer is making. So, here Monzo had a responsibility when considering the payments Mr H was making to C.

I have thought about the other scams Mr H fell victim to and whether there was any opportunity for Monzo to have reasonably foreseen that Mr H may fall victim to subsequent scams. But I don't think there was. I say that especially here as the scams are all completely unrelated. Mr H approached different individuals for each of the scams, none of whom were linked and the investment structures were different too, such as this complaint relating to gold trading, which was different to others. Additionally, at around the same time, from looking at Mr H's statements I can see that he was also seemingly investing in legitimate investments too, so it was typical activity on his account by this point to have investment related transactions. It follows that I don't think it would be fair or reasonable to say that Monzo could have foreseen Mr H would fall victim to this scam.

I've thought about whether there was any opportunity for Monzo to have recovered the money Mr H had lost once it was made aware of the scam. However, given the funds had been exchanged into cryptocurrency and then moved on to accounts controlled by the fraudsters, I don't think there was any opportunity or prospect of Monzo being able to recover any of the money.

I'm mindful that Mr H has said he was vulnerable at the time the payments were made. I recognise that Mr H has fallen victim to a scam and I'm sorry to hear of the difficult personal circumstances that he had been faced with. But I haven't seen anything to suggest that Monzo were made aware of any vulnerability factors or ought to have identified them, such that it should have known to take additional steps to protect Mr H.

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 H. It's very unfortunate that he 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 H'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 H to accept or reject my decision before 5 January 2026.

Stephen Wise  
**Ombudsman**