

The complaint

Mr H complains Monzo Bank Ltd (“Monzo”) hasn’t refunded funds he lost as the result of a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the key details here.

Between May 2024 and December 2024 Mr H made several payments from his Monzo account towards what he thought was a legitimate cryptocurrency investment. Mr H said he realised he’d been scammed when he was repeatedly asked to pay fees to withdraw his funds.

Mr H complained to Monzo, and his complaint wasn’t upheld. Unhappy with Monzo’s response, Mr H raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t uphold it.

As an agreement could not 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.

I’m sorry that Mr H has lost a significant sum of money, and I don’t underestimate the impact this has had on him. And so, I’d like to reassure Mr H that I’ve read and considered everything he’s said in support of his complaint. But I’ll focus my comments on what I think is relevant. If I don’t mention any specific point, it’s not because I’ve failed to take it on board and think about it, but because I don’t think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr H but having done so, I won’t be upholding his complaint. I’ll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

Mr H authorised the payments in question here – so even though he was tricked into doing so and didn’t intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Monzo should also 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: as while banks and Electronic Money Institutions should be alert to fraud and scams

to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which while Monzo isn't a voluntary signatory of, it has committed to act in-line with the spirit of the code. The code doesn't cover payments to purchase cryptocurrency nor does it cover payments made to an account in the customer's name and so the code isn't relevant here.

I've thought about whether Monzo acted fairly and reasonably in its dealings with Mr H when he made the payments, or whether it should have done more than it did. In doing so I've considered what Monzo knew about the payments at the time it received Mr H's payment instructions and what action, if any, Monzo took prior to processing the payments.

Monzo intervened directly with Mr H prior to processing some of the payments. I've listened to the calls and Monzo identified the potential scam Mr H might be falling victim to as a cryptocurrency investment scam. Monzo gave some general information including statistics around scams and it asked Mr H several specific questions regarding the investment and circumstances around it. Monzo also gave warnings that were relevant to cryptocurrency scams, and the circumstances of the scam Mr H was falling victim to. I've summarised below what I think are the key points from the calls.

Monzo asked Mr H several times if he had been asked to download any applications to his device. He was specifically asked if he'd been asked to download software that allows someone to take control of the device and the dangers of this and the link this has to scams. Each time he was asked Mr H confirmed he hadn't been asked to download such software, which we know wasn't the case.

Monzo explained the Financial Conduct Authority (FCA) register and the importance of checking any firm he decided to use was registered with the FCA and the risks in using unregulated firms. Mr H said he had been able to withdraw funds into his Monzo account and that he wasn't part of any group investment messaging chats.

One advisor explained scammers use convincing websites, provide realistic graphs and use fake credentials to make an investment seem genuine. And that guaranteed returns or making money quickly was also a sign of a scam.

Monzo asked how long Mr H had been investing in cryptocurrency and enquired about his other investment experience. Mr H disclosed he had moved funds from an investment with a firm I'll call X to invest in cryptocurrency and Monzo asked if he was moving all funds from his other investments into cryptocurrency, to which Mr H said no.

He was asked what research he's carried out, what the process of purchasing cryptocurrency is and what he'd be doing with his funds once they were with a cryptocurrency exchange. The danger of moving funds on was also outlined. I think Monzo appropriately probed Mr H's answers. For example, Mr H said he was purchasing a particular coin several times, Monzo informed him the coin he'd mentioned wasn't a cryptocurrency at all but rather an exchange and Mr H then clarified what he had meant.

Mr H is asked several times if anyone is involved in the investment, for example, had he sought advice or support from another person, had anyone contacted him about the investment and if he was speaking with anyone while making the payment. Mr H said no, we know there was the use of a 'broker' and while Mr H didn't inform Monzo of this, it did outline the risks of third-party involvement. Monzo also asked Mr H several times if anyone has asked him to mislead the bank to which he answered no. While I don't have all the

conversations Mr H had with the scammer and its clear they spoke by phone, from what I have I can't see he was told to mislead his bank.

Monzo said scammers can use social media for promotion and Mr H said he found the investment on social media. Monzo could have probed on this but considering the interventions as a whole I don't think probing on this would have uncovered the scam based on Mr H's other answers.

At one point, Mr H provided Monzo with a screenshot of an account he held with one of the exchanges and Monzo said it showed he was on a call and asked who this was. Mr H replied it was his daughter. Monzo could have probed this or reiterated the danger of third-party involvement however I don't think it would have made a difference if it had done either. When Mr H spoke with X he was asked for the purpose of withdrawing from his investment and he said it was to help his daughter with some unexpected building repairs. I therefore think if Monzo had probed Mr H he would have likely been able to provide another plausible reason for speaking with his daughter, and if asked again would have continued to deny any third-party involvement.

A firm's intervention relies on a customer being accurate in their answers, and when that doesn't happen as is the case here, it can impact the actions a firm takes.

While it could be argued that Monzo's interventions should have gone further and that it ought to have intervened on more payments than it did, however, I don't think further interventions would have positively impacted Mr H or prevented him from making the payments. I'll explain why.

The interventions that Monzo carried out were proportionate to the risk the payments presented and focused on the scam type Mr H was falling victim to. Monzo gave Mr H relevant warnings about cryptocurrency investment scams which highlighted the key hallmarks of such scams which were relevant to the circumstances of the scam he was falling victim to. None of these warnings resonated with Mr H and prevented him from making the payments. So, I'm not persuaded, on balance, that further interventions would have made a difference.

Additionally, having reviewed the emails Mr H provided between him and the scammer I can see that the scammer contacted Mr H noting they'd tried to get in touch with him and weren't successful. In summary, Mr H replies that he has moved on for his own security. He's not comfortable and tells the scammer to close his account and not to ring him again. The scammer replies saying they don't understand what's happened and asked for the chance to discuss things. Mr H is clear in his response, he said he had been given so much information recently, including from Monzo that has given him doubts about what he's been doing. That he's had so many calls with people telling him he's being scammed since his conversation with Monzo, that he feels something underhand is going on and he's reluctant to invest. He ends by saying things may change after a conversation and he hoped to hear from the scammer soon. A call is arranged after which Mr H continues with the investment making a payment the following day.

Mr H told us he continued with the investment as the scammer had convinced him the opportunity was legitimate.

I think, on balance, that Monzo was unlikely to have uncovered the scam and even if it had Mr H would more likely than not have behaved in a similar way, notifying the scammer of his concerns and they would have been able to reassure him the investment was genuine and so his loss wouldn't have been prevented.

As I don't think Monzo could reasonably have prevented Mr H's losses, it wouldn't be fair or reasonable for me to hold it liable for them.

I've thought about whether there's anything else Monzo could have done to help Mr H — including if it took the steps it should have once it was aware that the payments were the result of fraud.

Mr H made payments to accounts in his own name with legitimate cryptocurrency providers. It seems he got the cryptocurrency he paid for and said he moved the funds on to the scammer; in these cases, there isn't much prospect of recovery and so I don't think Monzo could have recovered his losses.

I'm sorry to disappoint Mr H further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Monzo needs to refund Mr H's money or pay any compensation. I realise this means Mr H is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

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 Mr H to accept or reject my decision before 9 April 2026.

Charlotte Mulvihill
Ombudsman