

The complaint

Mr Y complains that Monzo Bank Ltd will not reimburse funds he said he lost to a scam.

Mr Y is represented by a firm, but for ease I have only referred to Mr Y in this decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, between April and June 2024 Mr Y made payments of approximately £26,000 towards what he thought was a legitimate cryptocurrency investment.

Mr Y was contacted by someone via a messaging service and after some conversation, the scammer introduced him to an investment opportunity. Mr Y purchased cryptocurrency from an online cryptocurrency exchange before sending the funds on to the scammer. He realised it had been a scam when he tried to withdraw his funds but was unable to. He raised the matter with Monzo but it didn't reimburse the money he lost nor did it uphold the complaint.

Our Investigator didn't think the complaint should be upheld. Whilst she thought Monzo ought to have intervened, she was not persuaded it could have prevented the loss.

Mr Y didn't accept our Investigator's opinion and states:

- The value and pattern of payments required proactive intervention.
- Monzo failed to adapt its communication to Mr Y's vulnerability, namely his limited English proficiency.
- Even if Mr Y had initially been resistant, well targeted, personalized questioning alongside an understanding of his vulnerability would have prevented the scam.

Our Investigator didn't change her opinion and as an 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.

Firstly I want to reassure both parties that I have taken their submissions into consideration and if I haven't mentioned something it isn't because I've ignored it. I haven't. Rather, I've focussed on setting out what is key to my decision.

I understand that Mr Y has been the victim of a very cruel scam and I'm sorry he has lost out because of it. However, I must put aside my feelings of sympathy and consider the complaint impartially. Having done so, I have reached the same outcome as our Investigator and for similar reasons. I know this will be disappointing to Mr Y, but I'll explain my reasons why.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Monzo should have looked at the wider circumstances surrounding

the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

Monzo blocked Mr Y's account on 6 June 2024 following the final payment he successfully made towards the scam, but I think it ought reasonably to have intervened sooner. On 16 May 2024 Mr Y made several payments for close to £5,000, which is significantly larger than previous payments from his account in the preceding months. Monzo ought to have been aware that the payments related to the purchase of cryptocurrency and of the increased risk such payments carry. Additionally, Mr Y did not have a history of making cryptocurrency related payments, prior to the scam. Considering this, I think Monzo ought to have been concerned that Mr Y might be at an increased risk of financial harm from fraud and intervened. In doing so, I think it ought reasonably to have enquired about the circumstances surrounding the payment.

While I think Monzo could have done more to protect Mr Y, I must also consider whether it could have uncovered the scam and prevented the loss had it intervened as I set out above, I'm not persuaded it could. I find Mr Y was heavily influenced by the scammer and reliant on them. When questioned by Monzo a few weeks later, Mr Y sought guidance from the scammer to answer the bank's question. Mr Y asked the scammer to write out a response to the bank's question which he copied and sent to the bank. From their conversations it's clear Mr Y had come to trust the scammer and developed a romantic relationship with the individual. The scammer instructed Mr Y not to reveal the true purpose of the payments if questioned and he agreed to this. Considering this, I think it more likely than not Mr Y would have sought the scammers guidance had Monzo intervened and questioned him, so on balance, I think it is unlikely to have uncovered the scam.

Monzo stopped a payment Mr Y attempted to make, it blocked and subsequently closed his account, as it had fraud concerns. I think this ought to have caused Mr Y to question the legitimacy of the investment, however he continued to make payments from accounts he holds with other banks. As such, had Monzo blocked Mr Y's account earlier, I think it's likely that he would have found alternative means of making the payments.

Mr Y said he was not proficient in English at the time of the transactions, I accept this, however even if Monzo was to have adapted its communication to ensure Mr Y understood any questions it asked, I'm not persuaded it could have prevented the loss. As I explained, I think Mr Y was under the scammer's spell, he was determined to make the payments and willing to mislead his bank to ensure they would be processed.

The only means of recovering the faster payments he made would be a request to the receiving banks to have the funds returned from the beneficiary accounts. As Mr Y would know, the funds did not remain in the accounts but were sent on to the scammer, so unfortunately, I find there were no prospects of Monzo recovering the funds he lost.

I have thought carefully about all that's happened here, but I could only uphold this complaint and require Monzo to reimburse Mr Y if I thought any error on its part was material to the loss, and I'm not persuaded that was the case.

My final decision

For the reasons outlined, 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 Y to accept or reject my decision before 8 December 2025.

Oluwatobi Balogun
Ombudsman