

## **The complaint**

Mr F complains that Monzo Bank Ltd failed in its duty to protect him when he fell victim to a scam. He said that his payments should have been detected by Monzo's fraud detection systems as being of concern. He said that if Monzo had intervened and informed him that he might be the victim of a scam then he would not have continued making the payments.

Mr F wants the money he lost refunded along with 8% interest. He also wants compensation for the upset he has been caused and for Monzo to indemnify him for any legal costs he incurs as a result of the scam.

Mr F is represented by a third party but for ease of reference I have referred to Mr F throughout this decision.

## **What happened**

Mr F joined a dating site believing that all participants would have been vetted. He was matched with a woman who claimed to be a freelance advisor in cryptocurrency trading. A relationship developed and Mr F said he was encouraged to invest, and he downloaded an app and provided his personal details to setup an account. Mr F made several payments, and his investment appeared to be increasing in value. However, when he tried to withdraw his money, he was told he needed to pay additional fees. He did this but was still unable to withdraw his money. At this point he realised he had been the victim of a scam.

Mr F said that Monzo didn't contact him about any of his payments even those that were large, and he wasn't given any warnings that he might be the victim of a scam. He thinks that Monzo should have done more to protect his money.

Monzo issued a final response to Mr F's complaint dated 1 August 2024. It noted that Mr F made 11 payments starting on 21 February 2024 and totalling £14,250. It said that Mr F authorised the payments and it made these in line with his instructions. It explained that it has information on its website about how to protect your money from scams and that this was available to Mr F. It said that the payments weren't covered by the Contingent Reimbursement Model (CRM) because they were made from Mr F's Monzo account to another account in Mr F's name.

Mr F referred his complaint to this service.

Our investigator recognised that Mr F had lost money due to being a victim of fraud, but he didn't think Monzo could reasonably have been expected to prevent this. He considered the information known to Monzo about the payments and thought that Monzo ought to have recognised that payment ten carried a heightened risk of financial harm from fraud because the value of that payment met the threshold to warrant Monzo making enquiries around what the customer was sending the money for. He thought at this point Monzo should have provided a better automated warning. However, he didn't think that had this happened it would have stopped Mr F making the payment. He said this as the evidence provided showed that Mr F believed that he was in a relationship with the scammer and that he trusted her. Therefore, our investigator didn't think that had Monzo intervened this would

have stopped Mr F making the payments.

Our investigator considered whether Monzo took the steps it should have once it was aware that the payments were the result of fraud. He noted the payments were made by debit card and so the chargeback process was relevant. However, he noted that Monzo was only expected to raise a chargeback if it was likely to be successful, and in this case, he didn't think that would be the case as Mr F had paid a legitimate crypto exchange and had received a service from the crypto exchange.

Mr F didn't accept our investigator's view. He said that the warnings provided by Monzo were inadequate and more action should have been taken by Monzo to intervene. While he accepted that at the time he believed he was in a relationship with the scammer, he said that had Monzo called him and asked probing questions about the payments this would have uncovered the scam, and he could have been prevented from further financial harm.

Our investigator responded to Mr F's comments but as these didn't change his view, and a resolution wasn't agreed, this complaint was passed to me, an ombudsman, to issue a decision.

### *My provisional conclusions*

I issued a provisional decision on this complaint the details of which are set out below.

*Mr F authorised eleven debit card payments from his Monzo account to a crypto currency platform account in his name between February 2024 and August 2021 (details below).*

| Payment | Date             | Type       | Payment to             | Amount |
|---------|------------------|------------|------------------------|--------|
| 1       | 21 February 2024 | Debit card | Cryptocurrency account | £500   |
| 2       | 22 February 2024 | Debit card | Cryptocurrency account | £100   |
| 3       | 11 March 2024    | Debit card | Cryptocurrency account | £500   |
| 4       | 16 March 2024    | Debit card | Cryptocurrency account | £1,000 |
| 5       | 31 March 2024    | Debit card | Cryptocurrency account | £1,000 |
| 6       | 03 April 2024    | Debit card | Cryptocurrency account | £1,650 |
| 7       | 06 April 2024    | Debit card | Cryptocurrency account | £100   |
| 8       | 06 Apr 2024      | Debit card | Cryptocurrency account | £1,000 |
| 9       | 09 April 2024    | Debit card | Cryptocurrency account | £1,400 |
| 10      | 11 April 2024    | Debit card | Cryptocurrency account | £4,000 |
| 11      | 11 April 2024    | Debit card | Cryptocurrency account | £3,000 |

*Mr F authorised the payments and under the Payment Service Regulations 2017, the starting point is that he is liable for the payments he authorised. However, Monzo should have systems in place to look out for out of character or unusual transactions, or other signs that might indicate that its customers are at risk of fraud. Mr F made the payments to an account held in his name and so as Monzo has explained the payments aren't caught by the CRM.*

*Mr F set up the Monzo account and his transactions show that he was transferring money into the account to make the transfers to his cryptocurrency account. As there was no account history, it isn't possible to say whether these payments were similar to other payments Mr F made (in terms of payment type and value) and so I have only been able to consider the nature of the payments to decide whether I think Monzo should have done more to intervene and warn Mr F of the risks of a potential scam.*

*Mr F was making payments to a cryptocurrency platform. While the account was in his name, these payments are recognised as carrying an elevated level of fraud risk, and noting*

*the Monzo account was set up for the purpose of making these transactions, I think this should also have raised questions. However, the initial payments were for relatively small amounts and the timing of these didn't suggest that Mr F was being pressured into making payments in quick succession. Therefore, I do not find it unreasonable that payments one to five weren't flagged by Monzo's systems for any additional intervention.*

*By payment six, Mr F had made payments totalling over £3,000 to his cryptocurrency account within the space of around six weeks. I think at this point, Monzo should have issued a cryptocurrency specific warning to Mr F. I have looked through Mr F's chat with the scammer and I can see that on 1 April 2024, he had asked to withdraw his money. The following day he was told he would need to make a further payment to withdraw his money. Payment six appears to be for this. The correspondence between Mr F and the scammer at this time showed him to still be very invested in the relationship (they had discussed marriage), and while he did appear to be getting concerned about how the investment was working, there still appeared to be a strong level of trust and so, on balance while I think a cryptocurrency warning would have made Mr F think further, I think that had this been received he would still have made the payment in the hope of releasing his money.*

*Mr F continued to make payments to try to release his money. I think that by payment ten, there was enough to suggest that a pattern of payments had emerged that could suggest Mr F was at risk of financial harm. The payments had been getting closer together and were for increasing amounts, with the £4,000 payment being a sign that the situation was escalating. Given this I think that a human intervention should have happened at this time with probing questions being asked about the payments. The correspondence that has been provided shows Mr F raising concerns on several occasions with the scammer about why he wasn't able to withdraw his money, and he was being put under pressure to borrow money from friends and family or take out loans to make the additional payments. I think if probing questions had been asked, they would likely have identified the scam to Mr F, and he would have not made payments ten and eleven. Therefore, I uphold this complaint in regard to payment ten and subsequent payments. I note that Mr F borrowed money from a family member of an amount equivalent to the payments I am upholding. As he will need to repay these amounts, I haven't adjusted the refund for this but I also haven't applied interest to the refund as it isn't Mr F that has been without the funds.*

*While I think that Monzo should have taken action at this time, I also think that Mr F should have been aware that the investment wasn't as he had first thought. He had requested on several occasions since 1 April to withdraw his funds and this hadn't happened. Instead, he had been told to pay more into the account. He had raised his concerns with the scammer, and I do not think her answers were convincing. Mr F was also being encouraged to borrow money when he said he didn't have funds available which I think should have also raised concerns. While I appreciate that Mr F believed himself to be in a relationship with the scammer, this had developed very rapidly (over a few days) and I think he should have been concerned about the speed at which the scammer asked him to invest in a product he didn't have knowledge of. Had he carried out more research, he may have realised the risks he was exposing himself to. Given this I think that Mr F should receive a 50% refund of payments ten and eleven.*

*Mr F has said that he should be paid compensation for the upset that has been caused. I do not underestimate the financial and emotional impact this scam has had on Mr F, but this was the result of the scammers actions, not Monzo's. While I think Monzo could have done more, I find the refund of payments ten and eleven (less the 50% reduction for Mr F's liability) is a fair resolution and I do not require it to pay additional compensation.*

*Monzo accepted my provisional decision. Mr F didn't.*

Mr F said that Monzo should have intervened before payment ten, noting he had made payments totalling over £3,000 by payment six. Mr F thought that effective probing questions and direct communication from Monzo at this earlier stage could have raised sufficient doubt about his payments and prevented further financial harm.

Mr F didn't accept that a 50% deduction for contributory negligence should be applied to the refund. He said the responsibility for detecting and preventing fraudulent activity was with the bank, especially when dealing with high-risk transactions. He also felt that given the significant impact this scam had on his financial and emotional wellbeing, additional compensation was warranted.

### **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.

When making a decision I take all relevant rules, regulations and guidance into consideration and my decision is based on what I consider to be fair and reasonable given the unique circumstances of the complaint.

I note the comments Mr F has made in response to my provisional decision, however these haven't changed my conclusions on this complaint. As I previously set out, and as noted by Mr F, by payment six, Mr F had made payments totalling over £3,000 to his cryptocurrency account within the space of around six weeks. I note Mr F's comment about the intervention at this point, but I think that the proportionate action would have been for Monzo to have issued a cryptocurrency specific warning to Mr F. However, having looked through Mr F's chat with the scammer he was still very invested in the relationship and so, on balance while I think a cryptocurrency warning would have made Mr F think further, I think that had this been received he would still have made the payment in the hope of releasing his money.

Mr F continued to make payments and as I have explained, I think that by payment ten, there was enough to suggest that a pattern of payments had emerged that could suggest Mr F was at risk of financial harm. Therefore, I think that human intervention was required at this time and that had probing questions been asked, they would likely have identified the scam to Mr F, and he would have not made payments ten and eleven. Therefore, I am upholding this complaint in regard to payments ten and eleven.

I understand that Mr F doesn't think that the refund should be subject to a 50% deduction for contributory negligence, and I note his comment about this. However, for the reasons I have already explained, I think Mr F should have been concerned about the speed at which the scammer asked him to invest in a product he didn't have knowledge of. Had he carried out more research, he may have realised the risks he was exposing himself to. Therefore, I think the deduction for contributory negligence is fair.

I note Mr F's comment about the delay in receiving a response to his complaint and I appreciate this will have been frustrating. However, I think the financial and emotional distress he has been caused in this case is due to the actions of the scammer rather than Monzo. So, while I do not underestimate the impact this has had on him, I find the fair outcome is for payments ten and eleven to be refunded (subject to the deduction) and I do not require additional compensation to be paid.

**Putting things right**

Monzo should refund Mr F payments ten and eleven which total £7,000. Monzo can apply a 50% deduction to the refund amount for contributory negligence.

**My final decision**

My final decision is that Monzo Bank Ltd should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 August 2025.

Jane Archer  
**Ombudsman**