

The complaint

Mr K complains that Monzo Bank Ltd (“Monzo”) won’t refund him money, which he says he lost to a scam.

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.

Mr K disputes a payment he made for £589.20 on 27 August 2024. He’s explained that the payment was towards an online course that he’d signed up to, having seen it on a well-known video sharing platform. Mr K has said he didn’t get what he’d paid for and believes that he has been scammed.

Mr K raised the matter with Monzo, but it didn’t think it was liable for refunding him the money he had lost, as it didn’t consider it had made any errors.

Unhappy with Monzo’s response, Mr K brought his complaint to this service. Monzo told this service that it recognised the service it provided could have been better, it said there was some delays in its response to Mr K and along with this it said Mr K’s scam claim wasn’t mentioned in its final response letter, when it should have been. In recognition of this it offered Mr K £60 by way of compensation.

Mr K didn’t accept Monzo’s offer of £60 to resolve things and so one of our Investigator’s looked into things. It was our Investigator’s view that Monzo wasn’t liable for refunding Mr K the money he had lost. The Investigator added that they thought the £60 Monzo had offered in compensation was fair.

Mr K didn’t agree with our Investigator’s view. As agreement hasn’t been reached the complaint has been passed to me for a 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.

Having thought about everything carefully, I agree with our Investigator, and I don’t think Monzo is responsible for refunding the money Mr K sadly lost.

While I appreciate that Mr K has said he fell victim to a scam, the evidence he’s provided doesn’t conclusively support that. I say that as details from the messages Mr K has shared, suggest that, at least to a degree, he was provided with some service. He’s said he received one lesson and it appears he was unable to attend a further lesson, due to work commitments. It also appears that some course material has been shared with Mr K via message. In the absence of any conclusive evidence that would support that the disputed payment was lost to a scam; I can’t say with any certainty what level of financial loss Mr K has suffered.

But in any event, and I think it's worth noting for the purpose of this decision, even if I did consider there was sufficient evidence to demonstrate the loss Mr K suffered was due to a scam, I don't think there would be grounds for me to fairly and reasonably hold Monzo liable for his loss.

I say that as in broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Monzo) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

With this in mind, I've considered whether the payment Mr K made was one Monzo should have had particular concern about. In doing so, I'm mindful that banks, such as Monzo, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

I don't doubt the payment represented a lot of money to Mr K. But when compared with other payments that Monzo processes daily, I'm not persuaded it was of a value which I think would have appeared so suspicious or unusual to Monzo, such that it ought to have alerted Monzo to the possibility Mr K was being scammed or was at risk of financial harm. Alongside this, when looking at Mr K's account history for the months leading up to the scam, I can see that he's made transactions for similar, and higher, amounts. All things considered, I don't think Monzo made an error in allowing the payments to be progressed.

I've gone on to think about whether Monzo could have recovered any of the funds Mr K lost when it was made aware of the scam. Given the payment here was a card payment, I've considered whether the chargeback process was an option for Mr K. A chargeback is a voluntary scheme run by card scheme providers. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the scheme and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid.

However, the records here show that Mr K moved the money through a genuine money transfer service. The merchant Mr K paid provided the service asked for, therefore there are no chargeback rights under the scheme and no prospect of a successful recovery.

Mr K has kindly shared some details about his circumstances and has said that these weren't taken into account by Monzo. I thank him for this and can understand why he believes this would make him more susceptible to becoming a victim of this type of scam. From what I've seen Mr K was making enquiries about the course and asking questions through messages. And he wasn't contacted out of the blue, rather he approached the merchant having seen a video – he also chased for answers when he didn't think he was getting the service he'd paid for.

Alongside this, in the circumstances of this case Mr K was making payments to a merchant that he'd paid before, for an amount that wouldn't have looked out of character when compared to his typical account usage. Therefore, I don't think there was anything about this payment that, given what Monzo knew about Mr K's circumstances at the time, would have led it to suspect he would have been at risk of financial harm or susceptible to fraud when

making it. So, I do not think Monzo could have, or ought to have, acted any differently whilst Mr K made this payment.

Finally, I'm mindful that Monzo found it could have dealt with Mr K's claim in a timelier manner. In recognition of this error, Monzo has offered Mr K £60 by way of compensation. I do appreciate the impact this matter has had on Mr K, and I don't doubt having to wait for an answer would have added to this frustration and upset.

I'm pleased that Monzo proactively recognised that the service it provided fell short of what could reasonably have been expected. The £60 it has offered Mr K is an amount in line with what I would have awarded. So, I don't think it would be fair for me to order it to increase this amount.

I don't intend any comments or findings I've made in this decision to downplay or diminish what Mr K has told us and the impact this has had on him. 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 K's loss here. Nor do I find there were any other failings on Monzo's part that would lead me to say that Monzo is liable to refund the disputed payment.

Putting things right

For the reasons given above, I uphold this complaint in part and direct Monzo Bank Ltd to:

- Pay Mr K £60 for distress and inconvenience (unless this has already been paid to Mr K).

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 January 2026.

Stephen Wise
Ombudsman