

The complaint

Miss J complains Monzo Bank Ltd won't refund money she lost as part of a crypto investment scam.

Miss J is being supported in making her complaint by a representative, but for ease, I'll refer to Miss J throughout this decision.

What happened

Miss J has explained that when browsing news articles on her phone she came across a link relating to an investment opportunity. After accessing this link, Miss J was contacted by someone we now know to be a scammer. The scammer introduced Miss J to the option of investing in crypto and was told to transfer funds via legitimate crypto exchanges.

Miss J opened an account with Monzo and transferred funds from an existing account with a different banking provider (Bank H) to her Monzo account to facilitate the scam payments. She also took out several loans.

Between 14 May and 20 August 2024 Miss J made 23 faster and card payments as part of the investment totalling just over £91,600.

Monzo spoke to Miss J about an £8,000 payment made on 15 May 2024. It asked her several questions and requested her to provide supporting information. The payment was then released and Monzo didn't intervene in any further payments.

Miss J has said she started to suspect she'd been scammed when the scammer told her she needed to pay fees to withdraw her returns.

Miss J reported the matter to Monzo in January 2025. In summary, she thought Monzo hadn't taken appropriate action in trying to protect her. Monzo thought it had done nothing wrong.

Unhappy with Monzo's response, Miss J referred her complaint to the Financial Ombudsman.

One of our Investigators considered the complaint but didn't uphold it. Essentially, he thought Monzo had taken proportionate action in relation to the £8,000 payment, but that Miss J wasn't forthcoming in her responses to Monzo's questions, meaning it was unable to prevent her loss.

Further, our Investigator didn't think any other warnings or questioning by Monzo in relation to Miss J's payments would've likely made a difference given how heavily influenced she was by the scammer; and because she'd ignored warnings (including banking protocol) provided by Bank H. Finally, our Investigator thought there was no reasonable prospect of Monzo having been able to recover the lost funds at the point it was alerted to the scam.

Miss J disagreed and asked for an Ombudsman's final decision. In short, she didn't think Monzo's intervention in the £8,000 payment was proportionate or that she was dishonest in her response. She said Monzo asked closed questions and didn't appropriately challenge or explore her responses.

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 done so, I've reached the same conclusion as our Investigator and for largely the same reasons. I'll explain why.

But first, I would like to say that if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Monzo was responsible for Miss J's loss.

As a starting point, Miss J doesn't dispute that the payments were made in line with her instructions to Monzo; and Monzo has referred to evidence which further supports that she made the payments. So, although she didn't intend the money to go to the scammer and believed that her money was going to a legitimate investment, under the PSRs and the terms of her account, Miss J is presumed liable for her loss in the first instance.

However, taking into account the regulatory rules and guidance including the Consumer Duty, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Monzo ought reasonably to have held such suspicions or concerns in relation to Miss J's payments (individually or collectively) — and if so, what might've been expected from a proportionate intervention.

So, taking all of this into account, I need to decide if Monzo acted fairly and reasonably in its dealings with Miss J when she made the payments. Specifically, whether it should've done more than it did before processing them – and if it had, would that have made a difference. I also need to decide if Monzo could've reasonably recovered the lost funds.

Should Monzo have intervened in the payments?

When considering this point, I've kept in mind that banks such as Monzo process high volumes of transactions each day, and that there is a balance for Monzo to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate.

Further to that, where there's an interaction between a customer and a bank before a high value payment is processed, as there was here, I'd expect the bank to take reasonable steps to understand the circumstances of that payment. And so, I think it was right for Monzo to find out more about the £8,000 payment given its value and because it was identifiably linked to high risk crypto. With that in mind, I've considered carefully whether Monzo went far enough when it questioned Miss J about the £8,000 payment.

Having listened to the telephone call I think Monzo took proportionate steps to satisfy itself that Miss J wasn't at risk of financial harm. It asked her the questions I'd expect it to ask in connection with crypto investment scams; alerting her to the key hallmarks of such scams, and Miss J provided confident and specific responses.

Of particular relevance is that Miss J confirmed none of the crypto investment scam hallmarks applied to her. She demonstrated an element of understanding of how crypto investments work, as well as confirming she'd used crypto exchanges before. Miss J also said she'd carried out research before investing and that it was being done independently; with no third party involved.

Miss J also said she wasn't involved in any group chats, nor had she been contacted via social media. And that no one had told her to lie to the bank.

Firstly, I don't agree with Miss J that Monzo didn't ask open questions. It asked her specific questions about the investment, how she found out about it and how it worked, as well as further questioning designed to tease out what crypto experience Miss J had. Monzo also asked Miss J follow up questions based on the responses she provided.

I also don't think Miss J was entirely honest with Monzo, specifically in relation the involvement of a third party, her previous experience of crypto, and as I go on to talk about later, confirming to Monzo that she hadn't been told to lie to the bank.

And as our Investigator explained, because Miss J didn't answer Monzo's questions accurately, nor did she disclose the true details surrounding the scam, this impacted Monzo's ability to take appropriate action to protect her.

So, looking at the interaction Monzo had with Miss J about the £8,000 payment, I think it took reasonable and proportionate steps to try and protect her. I can't therefore say Monzo was at fault for processing Miss J's payment in accordance with her instructions.

However, for completeness, I've gone on to explain why I'm not persuaded that *any* level of further intervention by Monzo in Miss J's £8,000 payment, or any of her other scam payments, would've likely prevented her loss.

Would intervention by Monzo have prevented Miss J's loss?

For me to find it fair and reasonable that Monzo should refund the payments to Miss J would require more than a finding that it should've done more to intervene when she made her payments. Crucially, I'd also need to find that but for that failure, the subsequent loss would've been avoided.

That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that proportionate intervention by Monzo wouldn't have revealed any of Miss J's payments were part of a fraud or scam, then I couldn't fairly hold it liable for not having prevented them from being made.

I've given this causation point very careful thought and agree with the points made by our Investigator for the following reasons:

- There's significant and clear evidence to demonstrate that the scammer was guiding Miss J on what to say when challenged about the payments by Monzo. Miss J shared all communications from Monzo with the scammer and specifically asked the scammer for their advice on how to respond.
- In relation to the call with Monzo about the £8,000 payment, the scammer provided Miss J with explicit guidance on what to say, particularly around confirming her knowledge and prior experience in crypto investments; and that she was investing "*independently*". Miss J followed the scammer's instructions here without question and thanked them for their assistance.
- When Monzo asked Miss J for screenshots of her crypto account; the scammer guided Miss J on how to do this to ensure Monzo viewed this evidence as credible.
- The scammer guided Miss J on how to source more funds and how to avoid detection from other banks involved in the transfer of money to fund the scam. This included applying for loans. The scammer added that if Miss J is questioned about the loans she should say "*it's not your business, it's a personal matter*".
- The scammer advised Miss J to split larger payments to avoid detection.
- The scammer also guided Miss J on how to respond to a request for information from the crypto exchange, with specific scripted responses to avoid suspicion. The scammer also told Miss J to ensure her responses "*appear natural*".
- Miss J tells the scammer "*I've just come off the phone to [Bank H], they said I am*

being scammed and sent me this email to go through, they've asked me to go in branch". The scammer provided Miss J with a cover story (home improvements) to provide to Bank H when in branch that enabled the payment to be processed.

All this suggests to me that it's more likely than not, on balance, that Miss J would've proceeded with her payments – even if Monzo had gone further in alerting her to the risks involved and the checks she should make. Miss J was clearly completely under the spell of the scammer – at no time questioning the advice she'd been given, despite clear warnings from Monzo, and Bank H (who invoked the banking protocol and involved the police), that she was likely falling victim to a scam.

Taking all this into account, I'm not persuaded, in the circumstances of this complaint, that any proportionate intervention from Monzo would've likely prevented Miss J's loss on either the £8,000 payment or any of her other payments.

Did Monzo do enough to try and recover the lost funds?

In terms of Monzo's ability to recover the lost funds at the point it was alerted to the scam; I also agree with our Investigator here. Miss J received the service the card payments were paying for – the purchase of crypto. And the faster payments were sent to a crypto exchange in her own name and in her control – and then onto the scammer. So, no funds remained, but if they had, they would've been available for Miss J to access.

I have a great deal of sympathy for Miss J and the loss she's suffered, as I appreciate it is a significant sum of money. But it would only be fair for me to direct Monzo to refund her loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Monzo has acted fairly and so I'm not going to tell it to do anything further.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision **before 18 December 2025**.

Anna Jackson
Ombudsman