

The complaint

Miss A complains that Monzo Bank Ltd won't refund the money she lost when she was the victim of a scam.

What happened

In August 2024, Miss A was looking to buy flight tickets online and was contacted by someone who said they worked for a well-known travel website. She discussed the flights she wanted with them. And, after agreeing a price, she made a payment of £700 to a money transfer service using her Monzo card to pay a deposit – as the person directed her to.

Unfortunately, after making the payment Miss A says she didn't receive the tickets or any booking confirmation. She then contacted the travel website, who told her they couldn't find a booking under her name. Miss S then reported the payment she had made to Monzo as a scam and asked it to refund the money she had lost.

Monzo investigated but said it was unable to recover the funds and didn't feel Miss A had done enough due diligence before making the payment. So it didn't agree to refund the money she had lost. Miss A wasn't satisfied with Monzo's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think we'd have expected Monzo to intervene when Miss A made the payment, or that anything we'd have expected it to have done would have recovered the money she lost. So they didn't think Monzo should have to refund the payment Miss A made. Miss A disagreed with our investigator, so the complaint has been passed to me.

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.

Did Monzo do enough to protect Miss A when she made the payment?

In broad terms, the starting position at law is that banks are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

I appreciate Miss A has said she understood her payment was going to the travel website directly, rather than to a money transfer service, and that she wouldn't have authorised the payment if she had known this. But Monzo's records show she was asked to confirm the payment in its mobile app, which would have clearly shown where the payment was going.

And, in any event, it appears Miss A wanted to make the payment as, at the time, she thought it was being used to pay for flight tickets she wanted to purchase. And by entering

her card details and then confirming the payment in the app, Miss A did authorise the payment for the purpose of the Payment Services Regulations.

So I think Monzo has acted reasonably in treating the payment as authorised, and the starting position in law is that it was obliged to follow her instructions and Miss A isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out requirements for banks to protect their customers from fraud and financial harm. So, in line with this, at the time Miss A made this payment I think Monzo should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

So I've considered whether Monzo should have identified that Miss A was at heightened risk of financial harm from fraud as a result of the payment she made here.

But the payment Miss A made here wasn't for a particularly large amount, or for an amount where I'd have expected Monzo to identify it as suspicious based on its size alone. The payment didn't leave the balance of Miss A's account at a particularly unusual level. And there wasn't anything else about it which I think should have caused Monzo significant concern.

So I don't think it's unreasonable that Monzo didn't identify that Miss A could be at heightened risk of financial harm from fraud as a result of this payment. And so I don't think it's unreasonable that it didn't take any further steps or carry out any additional checks before allowing it to go through.

Should Monzo have done more to try to recover the money Miss A lost?

Once they have been notified of a scam, we expect banks to take reasonable steps to try to recover any money their customers have lost – including making use of any available chargeback scheme. So I've also considered whether Monzo did enough to try to recover the money Miss A lost.

A chargeback is a process by which card payments can be disputed with the merchant who took the payment – which in Miss A's case is the money transfer service she made the card payment to. And we only expect a bank to carry out a chargeback where there is a reasonable chance of it being successful.

But the money transfer service Miss A made the payment to is a legitimate money transfer company. And I've not seen anything to suggest it did anything wrong or was involved in the scam in any way. It appears to have just transferred the money Miss A sent, as it was supposed to do. So the money transfer service has carried out the service it was supposed to do and I don't think any chargeback against it would likely be successful. And so I don't think Monzo has acted unreasonably in not carrying out a chargeback here.

Miss A has also made several arguments relating to consumer protections which she feels mean she shouldn't be liable for the money she lost. But these protections only apply to payments a consumer didn't authorise and, as I explained above, I think Monzo has acted reasonably in treating this payment as authorised. So I don't think these protections Miss A has mentioned mean Monzo should have to refund the payment.

I sympathise with the position Miss A has found herself in. She has been the victim of a cruel scam and I appreciate that my decision will come as a disappointment to her. But I can only look at Monzo's responsibilities. And, for the reasons I've set out above, I don't think Monzo has acted unreasonably or that anything I would reasonably have expected it to do would have prevented this scam or recovered the money she lost.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 20 October 2025.

Alan Millward
Ombudsman