

The complaint

Mr B complains that Monzo Bank Ltd (Monzo) won't refund the money he's lost as a result of scam.

What happened

The detailed background to this complaint is well known to both parties and the following is a brief summary of what happened.

Mr B is a student and explains that he was looking to buy two electric motorbikes so he could sell them to interested parties and then use the profit to pay for essential day-to-day living costs.

He saw the bikes on a popular social media platform and contacted the overseas company (Company D) that showed many satisfied customers. He found their website convincing, and he appears to have had a video call with a sales manager. Mr B then placed an order and received (fake) certification documentation that he thought was genuine.

He tried to pay Company D from his account with Bank H but had difficulties making the payment. So, he decided to use his Monzo account making the following two international payments:

Payment Number	Date	Time	Payment Method	Payee	Amount
1	30 April 2025	01:03	International Payment	Company D	£1,267
2	1 May 2025	18:00	International Payment	Company D	£800

After making the payments he was told the bikes had arrived, but significant extra fees were required. These fees hadn't previously been mentioned and meant he either couldn't afford them or wouldn't have been able to sell them on. He tried to cancel the order and became suspicious and realised it was a scam when he was told a contract (which he hadn't agreed) didn't allow for a cancellation.

Mr B contacted Monzo seeking a refund and a payment recall, but they said this wasn't possible. Mr B was disappointed with Monzo's response and complained that they:

- Didn't provide adequate warnings or risk notices, pointing out that when he attempted the payments with Bank H *'they stopped it and asked detailed questions: who the seller was, what I was buying, how I found them, and if I had verified the business'*.
- Didn't attempt to recall his funds when he contacted them on 4 May 2025.

Monzo rejected Mr B's complaint, so he escalated it to our service. However, our investigator didn't think the amounts warranted an intervention and said that, even if Monzo had given him warnings and attempted to recall the funds, he didn't think this would've prevented his loss or recovered his funds.

As Mr B remains dissatisfied his complaint has been passed to me to look at.

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, my decision is to not uphold this complaint, and I'll explain why.

I should first say that:

- Having reviewed Mr B's submissions I'm satisfied that Mr B was the victim of this cruel scam and I'm very sorry that his loss has caused him financial hardship.
- In making my findings, I must consider the evidence that is available to me and where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply here. This is because they were international payments.
- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Mr B made the payments here, so they are considered authorised. However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 Monzo had to comply with the Financial Conduct Authority's (FCA's) Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Monzo was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, Monzo had to look out for signs of vulnerability.

With the above in mind I first considered if Monzo should've recognised Mr B was at risk of financial harm and put in place intervention to warn about risks or to probe to attempt to detect a fraud or scam.

For a combination of the following reasons, I wouldn't have expected fraud or scam interventions on either of the two payments:

- Mr B had previously made payments for similar amounts.
- Although they were international payments the amounts were relatively low.
- Although the payments were made on consecutive days, there was no obvious scam pattern, such as a high velocity of payments in quick succession.
- Banks like Monzo process thousands of payments each day and as mentioned above have to strike a balance between fraud protection and delaying legitimate payments.

Importantly, having listened to Mr B's call with Bank H, when they did intervene, even if Monzo had provided fraud and scam education and warnings here and probed what Mr B was doing (which would've been via their app or chat service) I don't think it would've made a difference here. This is because I found:

- Mr B was reluctant to engage in conversation about his due diligence, as he was very confident he was dealing with a legitimate company and felt that he had completed adequate verification checks.
- When an agent brought potentially concerning information to Mr B's attention (from a quick internet search on Company D) and told him there was a risk it was a scam, he seemed unconcerned and said he was willing to take the risk as he believed the *'reward to be greater than the risk'*.
- Bank H directed Mr B to information on fraud and scams and strongly advised him to use a different payment method. They explained an international payment was immediate, the same as paying by cash and there were other better methods that would give him some protection if it was a scam. Mr B appeared to accept this, cancelling his payment attempt.

For international (SWIFT) payments, Monzo's system is linked with that of another regulated firm (Firm W). Although I haven't been provided with information, from looking at their website I think it more likely than not that Mr B would've known the payment would be received by the recipient *'lightning fast'*. And, as mentioned above, prior to completing the payments, it had already been explained to him (by bank H) that it was like making a cash payment and there wasn't any protection if it proved to be a scam. So, I'm satisfied that Mr B was aware of the risks of making an international payment when using this payment method.

Regarding recovery, I appreciate that Mr B didn't realise it was a scam until a few days after he made the payment. I also recognise that Monzo didn't make a recall attempt as they considered it to be a payment dispute rather than a scam. However, considering a SWIFT payment is immediate, even if Mr B had realised it was a scam and notified Monzo earlier, I don't think they can have reasonably been expected to have stop the funds being paid or retrieved them. That's because they would've more likely than not been immediately taken

by the cruel scammer, who tricked him into making the payment, before Mr B realised he had been scammed and reported it to Monzo.

So, having considered the above and all the information on file, whilst I genuinely empathise with Mr B's loss here and the financial difficulties this causes him, I don't think it would be fair or reasonable to ask Monzo to provide him with a refund.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 February 2026.

Paul Douglas
Ombudsman