

## **The complaint**

Mr S complains that Monzo Bank Ltd (Monzo) is refusing to refund him the amount he lost as the result of multiple scams.

Mr S is being represented by a third party. To keep things simple, I will refer to Mr S throughout my decision.

## **What happened**

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

### *Scam 1*

In July 2024 Mr S received an unsolicited message via a well-known messaging application from a representative of a company I will call "X" that specialised in cryptocurrency investing for beginners.

Mr S was added to a group chat that included other investors, provided with a link to a trading platform, where he opened an account and started to make payments.

After initially making what appeared to be a profit Mr S found he had made significant losses and was no longer able to contact X.

### *Scam 2*

Shortly after falling victim to scam 1, in September 2024, Mr S was on the lookout for another investment to supplement his income when he received a message via social media from a representative of a company I will call "Y" that offered a trading service.

Mr S says he carried out research on Y before deciding to invest but was unable to find anything negative, and despite Y not being registered at Companies House Mr S didn't have concerns as Y was not based in the UK.

Mr S started making payments in relation to what he thought was a genuine investment and appeared to be making a substantial profit. But when Mr S tried to make a withdrawal from his investment, he was told he would have to pay fees first. Mr S paid the requested amounts but was still unable to make a withdrawal.

### *Scam 3*

In October 2024 Mr S was approached again via a well-known messaging application by an individual and a friendship appeared to form between them. Mr S explained his experience and the funds he had lost. The individual explained she knew a specialist broker that could help.

Mr S was then contacted by an individual I will call "Z" who explained they were very experienced and could help Mr S recoup his losses by offering guaranteed returns on

investments.

Mr S agreed to make a relatively small investment of \$500 and within a very short period (1 day) appeared to have made a profit of \$68,000. Mr S attempted to withdraw the profit but was told he would have to make further payments first. Mr S made the payments but was still unable to withdraw his funds.

Mr S has disputed the following payments made from his Monzo account:

<u>Payment</u>	<u>Scam</u>	<u>Payment Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	1	21 July 2024	Clearbank	Transfer	£100
2	1	21 July 2024	Clearbank	Transfer	£2,000
3	1	22 July 2024	Clearbank	Transfer	£3,000
4	1	22 July 2024	Clearbank	Transfer	£4,300
5	1	22 July 2024	Clearbank	Transfer	£100
6	1	27 July 2024	Clearbank	Transfer	£1000
7	1	05 September 2024	Clearbank	Transfer	£3,850
8	1	05 September 2024	Clearbank	Transfer	£125
9	2	17 September 2024	CB Payments	Transfer	£150
10	2	19 September 2024	CB Payments	Transfer	£400
11	2	22 September 2024	CB Payments	Transfer	£500
12	2	22 September 2024	CB Payments	Transfer	£30
13	2	24 September 2024	CB Payments	Transfer	£520
14	2	24 September 2024	CB Payments	Transfer	£580
15	2	25 September 2024	CB Payments	Transfer	£530
16	3	04 October 2024	CB Payments	Transfer	£530
17	3	05 October 2024	CB Payments	Transfer	£390
18	3	05 October 2024	CB Payments	Transfer	£10
19	3	05 October 2024	CB Payments	Transfer	£400
20	3	05 October 2024	CB Payments	Transfer	£400
21	3	06 October 2024	CB Payments	Transfer	£400
22	3	06 October 2024	CB Payments	Transfer	£250
23	3	18 October 2024	CB Payments	Transfer	£420
24	3	18 October 2024	CB Payments	Transfer	£815
25	3	18 October 2024	CB Payments	Transfer	£15
26	3	19 October 2024	CB Payments	Transfer	£210
27	3	19 October 2024	CB Payments	Transfer	£40
28	3	20 October 2024	CB Payments	Transfer	£110
29	3	23 October 2024	CB Payments	Transfer	£150
30	3	25 October 2024	CB Payments	Transfer	£410
31	3	26 October 2024	CB Payments	Transfer	£255
32	3	26 October 2024	CB Payments	Transfer	£7
33	3	26 October 2024	CB Payments	Transfer	£315
34	3	27 October 2024	CB Payments	Transfer	£151
35	3	27 October 2024	CB Payments	Transfer	£152
36	3	01 November 2024	CB Payments	Transfer	£1,150
37	3	15 November 2024	CB Payments	Transfer	£400
38	3	15 November 2024	CB Payments	Transfer	£415
39	3	15 November 2024	CB Payments	Transfer	£110
40	3	17 November 2024	CB Payments	Transfer	£50
41	3	28 November 2024	CB Payments	Transfer	£32
42	3	19 November 2024	CB Payments	Transfer	£630
43	3	29 November 2024	CB Payments	Transfer	£60

44	3	04 December 2024	CB Payments	Transfer	£200
45	3	05 December 2024	CB Payments	Transfer	£50

Our Investigator considered Mr S's complaint and didn't think it should be upheld. Mr S disagreed, so this complaint has been passed to me to decide.

### **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.

It has not been disputed that Mr S has fallen victim to cruel scams. The evidence provided by both Mr S and Monzo sets out what happened. What is in dispute is whether Monzo should refund the money Mr S lost due to the scams.

Mr S made the payments in relation to the scams via transfers. When payments are made by transfer Monzo has limited options available to it to seek recovery.

Mr S didn't make the disputed payments to the scammers directly, instead he made payments to legitimate cryptocurrency exchanges, in exchange for cryptocurrency.

As there is no dispute that the cryptocurrency was provided to Mr S in exchange for the payments he made, and it took further steps for those funds to end up in the hands of the scammer, any attempt to recover the payments Mr S has disputed would have no chance of success.

#### *Should Monzo have reasonably prevented the payments Mr S made?*

It has been accepted that Mr S authorised the payments that were made from his account with Monzo, albeit on X's instruction. So, the starting point here is that Mr S is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Monzo should have been aware of the scams and intervened when Mr S made the disputed payments. And if it had intervened, would it have been able to prevent the scams taking place.

Monzo has confirmed that it did intervene when Mr S made payments 1,3 and 5 in relation to the scam and provided the same warnings on three occasions.

Mr S was warned:

*"This is one of the riskiest transactions at Monzo this week.  
Here are some red flags*

- *You've been told to ignore us. Scammers will tell you to ignore our warning screens and trust them instead.*
- *You can't mention crypto. Scammers will tell you not to reference crypto when making a payment.*
- *You've been messaging online. Scammers often build close relationships with you on platforms like Facebook, Instagram & WhatsApp"*

I think some of these red flags mentioned by Monzo should have caused Mr S to have

concerns as they were relevant to the scam he was experiencing. However, given the value of payments 3 and 4, and that they were being made to a known cryptocurrency exchange, I think Monzo should have intervened further.

I think a proportionate intervention to payment 3 would have been for Monzo to have provided a tailored written warning to Mr S that was relevant to cryptocurrency investment scams that tackled the key features of that type of scam.

When Mr S made payment 4 he was making the second payment the same day to the same cryptocurrency exchange bringing the total value of payments for the day to more than £7,000. Considering the risk associated with this type of payment I think Monzo should have discussed the payment with Mr S with the aim being to uncover the background leading to it and to provide an appropriate warning.

But even if Monzo did intervene in the way I have said it should have above I don't think this would have made a difference. I will explain why.

On 24 and 25 July 2024 Mr S had a chat conversation with another of his account providers that he was sending funds from in relation to scam 1. The other provider identified the scam and made it very clear to Mr S that he was falling victim to a scam.

Mr S accepted he had been scammed and agreed not to make any further payments.

Despite this clear warning, Mr S's clear acceptance, and his agreement not to make any further payments Mr S continued to make further payment in relation to scam 1 from his Monzo account.

Having considered the above I don't have enough to say that had Monzo intervened and identified the scam in the way Mr S's other account provider did, that he would have taken any more notice of Monzo's warnings. I think it is most likely that Mr S would have found another way to proceed with the payments as he did previously.

So, I don't think Monzo missed an opportunity to prevent scam 1 and it is not responsible for Mr S's loss.

The remaining payments Mr S made in relation to scams 2 and 3 were for lower values that I don't think would reasonably have caused Monzo to have concerns prompting it to intervene. So Monzo didn't miss an opportunity to prevent these scams, and it is not responsible for Mr S's loss.

In any event I think the warnings Mr S's other provider gave about scam 1 were also relevant to scam 2 and 3 which were relatively similar. I think Mr S should have taken more care to prevent his loss that occurred due to these similar scams.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 December 2025.

Terry Woodham  
**Ombudsman**