

The complaint

Mr A complains that Monzo Bank Ltd (“Monzo”) won’t refund him the money he lost after he fell victim to an Authorised Push Payment (‘APP’) scam.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won’t repeat it all again here. But in summary, I understand it to be as follows.

Mr A has told us that, in or around October 2024, he received a message, through his wife, through a well-known messaging app, from somebody claiming to be a recruiter about a job opportunity. He was told the job entailed reviewing hotels online to increase their rating, for which he would earn commission. Believing everything to be genuine, Mr A proceeded, but unknown to him at the time, he had been contacted by fraudsters. The fraudsters then persuaded Mr A to pay his own money in order to proceed with the work.

As part of the scam, Mr A was instructed by the fraudsters to open an account with Monzo, as well as accounts with money transfer service providers and cryptocurrency platforms.

Between 7 October 2024 and 6 November 2024, Mr A made a number of transactions, totalling over £100,000 through his newly opened Monzo account in relation to the fraud. The transactions were predominately card payments (with one faster payment) and saw Mr A moving money into his Monzo account, before sending funds through an international money transfer service and cryptocurrency platforms. With the money subsequently being moved into accounts the fraudsters controlled.

Mr A realised he’d been scammed when he was still unable to withdraw any of the money he had sent and was asked by the fraudsters to continue making payments.

Mr A raised this matter with Monzo, but it didn’t uphold his complaint. In summary, it said it had reached out to Mr A on multiple occasions to check the payments were legitimate and to explain that the payments could be part of a scam. But Mr A had confirmed he knew the person he was making the payments to and that they were being made in connection with a house renovation.

Unhappy with Monzo’s response, Mr A brought his complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, our Investigator said that Mr A had provided inaccurate information to Monzo on several occasions, which had misled it to such a degree that it wouldn’t have been able to prevent these transactions.

Mr A didn’t agree with our Investigator’s view. As agreement couldn’t be reached, the complaint has been passed to me for a final 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.

From 7 October 2024, the Authorised Push Payment scam reimbursement rules ('Reimbursement Rules') came into effect. These were implemented to provide reimbursement to victims of APP fraud. However, the Reimbursement Rules only apply to Faster Payments and CHAPS transfers between banks, and internal transfers within the same bank. The Reimbursement Rules don't apply to card payments, nor payments made to cryptocurrency accounts held in a consumer's own name. So that means the payments Mr A authorised, albeit while being duped, aren't covered within the scope of the Reimbursement Rules.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Mr A authorised the payments in question, so that means he is liable for them, even though he was the victim of a scam.

However, that is not the end of the story. Good industry practice required that Monzo be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.

I agree with our Investigator that there are some discrepancies in terms of what this service has been told in the submissions Mr A has made. In that, from what's been provided, it isn't entirely clear that it is Mr A who was the one who fell victim to the scam here. Rather there is a weight of evidence to suggest that it was Mr A's partner who fell victim. With the evidence suggesting that it was Mr A's partner who was communicating with the fraudster, who had received the 'job' offer and seemingly had funded a substantial amount of the loss. Which indicates Mr A's involvement was that his newly opened Monzo account was used to facilitate the payments.

However, in the individual circumstances of this case, even if I were to consider that it was Mr A who had fallen victim to the scam here, which for the avoidance of doubt I'm not entirely persuaded by, I don't find that there is any way that I could fairly or reasonably say that Monzo would be responsible for his loss. I'll explain why.

I would need to decide whether Monzo had acted fairly and reasonably in its dealings with Mr A when it processed the payments, or whether it should have done more than it did.

It seems clear to me here that Monzo did have some concerns about the payments Mr A was making. On several occasions, it blocked payments, only allowing them to progress after having a conversation with Mr A and providing him with scam warnings, based on what it considered to be the apparent risk, given what Mr A was telling it and what it knew.

Mr A has told us, and the evidence I've seen, shows that there had been social engineering and coaching by the scammer. This coaching included how questions, posed by the bank about the payments, should be answered. From what I've seen, Mr A followed the fraudsters' directions, with him on numerous occasions consistently telling Monzo that he knew the person he was paying and that the payments were for building and renovation works. Mr A also went as far as providing Monzo with copies of invoices, quotes and messages from the builder, as well as photographs of building work that had been carried out. Indeed, I've heard

within the calls Mr A had with Monzo, that he appeared to be getting frustrated with its attempts to protect him, when it blocked his account to make further enquiries.

It seems to me that Mr A was so under the spell of the fraudster and determined to make these payments that he followed their instructions to mislead his bank. In doing so, I'm persuaded he foiled the attempts Monzo was making to protect him, and I'm not satisfied that I can reasonably say Monzo has made any errors or missed an opportunity to prevent Mr A from making these payments.

I've thought about whether Monzo could have recovered any of the funds Mr A lost when it was made aware of the scam. But given the funds had been sent by international money transfer or cryptocurrency and then been moved onto accounts controlled by the fraudsters, I'm not persuaded there was any opportunity for Monzo to recover the money.

Given the majority of the payments here were card payments, I've considered whether the chargeback process was an option for Mr A. 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 record here show that Mr A moved the money through genuine money transfer services and cryptocurrency platforms. Those merchants Mr A paid provided the service asked for, therefore there are no chargeback rights under the scheme and no prospect of a successful recovery.

Overall, all things considered and given the circumstances, I don't think Monzo made an error in allowing the payments to be progressed or missed an opportunity to prevent the fraud.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 December 2025.

Stephen Wise
Ombudsman