

The complaint

A company, which I'll refer to as E, complains that Monzo Bank Ltd ('Monzo') won't reimburse the funds it lost when it fell victim to a scam.

Mr M, who is the sole director of E, brings the complaint on E's behalf.

What happened

Mr M says that he was introduced to an investment opportunity with a company I'll call H in this decision by a friend and met a representative of the company - G. After seeing that his friend received returns, Mr M invested £10,000 from E's account on 23 February 2024. In August 2024 Mr M says that he was told G had been arrested and he was involved in a Ponzi scheme. He has also heard from the police that G is being investigated.

Mr M raised a scam claim with Monzo on 4 September 2024. Monzo told Mr M it was unable to reimburse E's loss. Mr M was unhappy with Monzo's response and brought a complaint to this service.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. He said that Mr M had used E's account to make a personal investment with H, so the loss wasn't E's. This meant that Mr M owed funds to E and that even if Monzo should have done more when the payment was made, it wouldn't be fair and reasonable to ask Monzo to reimburse E. And Mr M couldn't bring the complaint in his personal capacity, as he wasn't an eligible consumer under our rules.

Mr M, on behalf of E, didn't agree with the investigator's findings. In summary he questioned when he had said the investment was personal and noted that the funds left E's business account and would have been paid back to the same account.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

The first thing I need to decide is whether E has suffered a loss that Monzo could be responsible for. To decide this, I need to consider if Mr M was investing personally or if the investment with H was intended to benefit his company, E. If Mr M used E's funds to invest personally, then E hasn't suffered a loss. Mr M would have removed the funds from the

business – either as a director's loan or dividend. So Mr M would owe E the money and E would not have lost any money itself.

The available evidence leads me to conclude that although a statement from H shows E's name, the investment was a personal one. The majority of the funds for the investment came from the sale of a watch by Mr M to a company. He received £9,000 into a personal third-party account and then transferred £12,000 to E's account just before making the investment. When the investigator asked Mr M whether the investment was personal or for his business he said, "*[G] told me to use my business bank and I sent him 10,000 of my personal money*". This leads me to believe it's more likely than not the investment was a personal one.

The investigator also spoke to Mr M in July 2025. During the call, Mr M explained that G asked him to use his business account and that he would otherwise have made the payment from his personal account. Mr M said he agreed to use his business account and thought this would offer greater protection. By contrast, I haven't been provided with any evidence that Mr M regarded the investment as being made on behalf of his business. The fact that Mr M says the money would have gone back into E's account isn't enough to make the investment with H a business investment.

I know this will be very disappointing for Mr M. I do not dispute that he has lost a considerable amount of money, which has had a big impact on him. But I can only consider whether E has suffered a loss, and, as I have explained, I don't think it has. This means that even if Monzo has done something wrong, it wouldn't be fair and reasonable for me to ask it to refund the money to E when E has not suffered a loss. Instead, Mr M has suffered the loss in his personal capacity.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 11 November 2025.

Jay Hadfield
Ombudsman