

The complaint

Mr O complains that Monzo Bank Ltd (Monzo, hereinafter) hasn't refunded the losses he's incurred when falling victim to a job task scam.

What happened

Mr O found the scam via an advert online in the summer of 2023. He was contacted by the scammer with a commission-based remote job offer to help merchants promote their products. The scammer introduced Mr O to an online platform through which he would do his job, by completing sets of tasks. However, he would need to credit his account to access these tasks.

So, Mr O was persuaded to open a cryptocurrency wallet with a genuine provider, which he funded from his Monzo bank account and paid the scammer in cryptocurrency.

Mr O made the following payments from his Monzo account (the returns or credits into the account are highlighted in bold):

Date	Amount	Type of transaction
26 July 2023	£34.50	Peer-to-peer payment to payee 1 to purchase crypto
31 July 2023	£500.00	Peer-to-peer payment to payee 2 to purchase crypto
31 July 2023	£1,800.00	Faster payment to Mr O's own cryptocurrency wallet
24 August 2023	+£500.00	Credit from third party e-money provider

Mr O said he funded the scam payments via his hard-earned savings and some help from a friend. Mr O realised he had fallen victim to a scam when he approached his family for help, having ran out of funds to send to the scammer.

Mr O was deeply affected by the scam and didn't know he could report it to his bank at first. It was only after speaking to a good friend that he then raised a scam claim with Monzo, in April 2025.

Monzo said the payments weren't covered by the Contingent Reimbursement Model (CRM, hereinafter) Code and that they went to an account in Mr O's name, so the loss didn't strictly stem from the Monzo account. Moreover, the amounts weren't high enough to require its intervention and recovery wasn't possible, so Monzo declined to refund Mr O.

So, Mr O referred the complaint to the Financial Ombudsman Service.

Since then, Monzo accepted that there were some issues in the service it offered to Mr O since he reported the scam on the Monzo app, which resulted in some delays, so it offered £50 to compensate him for those shortcomings.

Our Investigator found that the scam payments weren't unusual or out of character enough to require any intervention from Monzo, and that the bank had discharged its obligations with regards to recovering the loss – even if it was unsuccessful. So, it would not be fair to hold

Monzo liable to refund Mr O. Our Investigator also found the £50 offer to be a fair way of dealing with the customer service failures.

Mr O disagreed with our Investigator's view on the basis that Monzo should have intervened on the payments, as Mr O had never purchased cryptocurrency prior to the scam. He also said he was disappointed the CRM Code didn't cover his disputed payments and thought that the Code's principles should still be applied to his case. Mr O didn't think the compensation offer was high enough and wasn't sure that Monzo had done all it could to recover his losses.

In light of this disagreement, I have been asked to review everything afresh and reach a decision on the matter.

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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

I don't doubt Mr O has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr O is automatically entitled to recompense by Monzo. It would only be fair for me to tell Monzo to reimburse Mr O for his loss (or a proportion of it) if:

- I thought Monzo reasonably ought to have prevented all (or some of) the payments Mr O made, or
- Monzo hindered the recovery of the payments Mr O made

whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Monzo treated Mr O fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did.

Having done so, I've decided to uphold Mr O's complaint in part. I will now explain below why I've reached the decision I have.

I have kept in mind that Mr O made the payments himself, and the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance.

I appreciate that Mr O did not intend for his money to ultimately go to fraudsters and was deceived into doing so – but he did authorise these payments to take place. However, there

are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

I have considered Mr O's representations that the principles of the CRM Code should apply to his case anyway. However, as an independent and impartial dispute resolution service, the Financial Ombudsman Service can't deviate from clear and unequivocal guidance stating that peer-to-peer cryptocurrency payments and payments to accounts in the name and control of the customer are excluded from the application of the Code.

But I would like to reassure Mr O that this doesn't mean no rules apply to the processing of the payments in question.

Considering the 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 – Monzo should fairly and reasonably:

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

So, I've thought about whether the transactions should have highlighted to Monzo that Mr O might be at a heightened risk of financial harm due to fraud or a scam.

Having reviewed Mr O's account activity in the days and months prior to the scam, I don't think the value of the individual payments were remarkable enough to have caused Monzo any concern. I say this because Mr O used faster payments regularly both for inter-account transfers and third-party payments.

I don't think enough of a pattern was formed here to suggest Mr O might be at a heightened risk of financial harm due to fraud or a scam, as the payments were made on separate days, and to separate payees, and those made on the same day weren't in quick succession.

I should also add it's currently not possible for a bank to recognise peer-to-peer payments in real time, so Monzo's anti-fraud systems could not have identified that Mr O was purchasing cryptocurrency as he was making the first or second payment.

With regards to the third payment, I accept that it went to a genuine cryptocurrency provider, but this doesn't mean it should automatically be treated as suspicious.

I don't think it would be fair to expect a bank to block and query every payment made by its customers for the purchase of cryptocurrency, as the purchase and trade of cryptocurrency

isn't in and of itself illegal. The payment would need to be suspicious, taking into account a multitude of factors, and not its destination alone.

For example, whilst the payment value was higher than the previous two, I don't think it was high or unusual enough, compared to earlier genuine activity, that Monzo should have realised Mr O was at risk of falling victim to an investment or job task scam.

I also accept that some credits were received into the Monzo account before the payments were made, but this was how Mr O regularly used his account, and the value of the credits was in line with earlier ones received in the six months prior to the scam.

Due to the reasons I have outlined above, I am not persuaded Monzo ought to have intervened on any of the scam payments and, therefore, I don't think it would be fair and reasonable to hold it responsible to refund Mr O's losses on this basis.

Recovery

Mr O said he was sceptical about Monzo having done all it could to recover his losses.

I understand why Mr O couldn't report the scam as soon as he realised he had fallen victim to one and I'm not criticising him for this. However, I would like to explain that the chances of recovering funds from the beneficiary bank after a scam are incredibly low and rapidly decreasing with the passage of time.

In this case, Mr O reported the scam to Monzo almost two years after it happened, which sadly meant the chances of recovering any of his losses were virtually none.

Moreover, the third payment went to a cryptocurrency wallet in Mr O's name and control and, from there, he transferred the funds to the scammer's wallet. So Monzo couldn't have recovered these from Mr O's wallet as he already sent them to the scammer. And, once cryptocurrency is sent, it cannot be retrieved.

With regards to the second payment, this was very luckily returned by the beneficiary bank to Mr O in August 2023, as Monzo's enquiries revealed.

Monzo is required to follow the relevant rules when attempting the recovery of scam losses but it isn't required to disclose its dealings with the beneficiary bank to Mr O or any other customer reporting a scam. This is because this information contains commercially sensitive and confidential information.

However, I can confirm Monzo submitted this information to our service for consideration in Mr O's complaint. I would like to reassure Mr O that I have reviewed Monzo's submissions and evidence on the steps it took to recoup Mr O's outstanding losses, and I don't think any more funds could have been recovered in the circumstances.

Compensation for the trouble and upset caused

Finally, I've carefully considered Mr O's and Monzo's representations as to the customer service issues experienced around the reporting of the scam and whether the compensation Monzo has offered since the complaint has been referred to our service is proportionate.

I'm very sorry for what has happened to Mr O, and I acknowledge the impact the scam has had on him, his life and his finances. However, it's important to recognise that the harm Mr O suffered is the consequence of the actions of unscrupulous scammers, and not Monzo's.

I've read the communications exchanged between Mr O and Monzo and I understand Mr O's frustration at having to repeat himself or re-send some of the evidence due to some issues with reporting the scam on the Monzo app. Monzo has accepted that it made some mistakes when Mr O reported the scam which caused some delays to their investigation and inconvenience to Mr O. So, I think it's fair it recompenses Mr O for this.

However, I disagree that Mr O wasn't given a fair chance to explain his side of the situation, as the chats with Monzo show Mr O was asked to explain what had happened on more than one occasion.

I think Monzo could have made Mr O's scam reporting journey smoother and clearer, but I don't think it was required to disclose the information it relied on to provide him with a claim outcome, where this information was commercially sensitive or confidential.

In the circumstances, I think Monzo offered a reasonable amount of compensation to make up for its shortcomings, based on the impact I understand they had on Mr O. So, I won't ask it to increase it further.

Putting things right

Monzo should, if it hasn't already, pay £50 compensation to Mr O for the impact its mistakes had on him.

My final decision

For the reasons given above, I do uphold this complaint in part, as explained above.

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

Daria Ermini
Ombudsman