

The complaint

Miss B complains that Monzo Bank Ltd decided not to refund her the money she lost through a scam.

Miss B has brought her complaint to us via a representative but I will refer to her throughout for simplicity.

What happened

Miss B said that she found out about a job opportunity from a friend and, after registering her details, was contacted about it in January 2025 via an online messaging service. The sender introduced themselves as a HR representative from a recruitment company who were working with a well-known online retailer. They explained that the job required Miss B to make upfront payments via cryptocurrency which would be used to simulate product purchases. Miss B would be paid commission when the product's exposure and ratings increased as a result.

Miss B said she made payments throughout January 2025 hoping to be able to earn a large commission payment. She realised she'd lost money to a scammer when she was unable to withdraw her funds.

Miss B made payments to the scammer from a cryptocurrency account in her name. She didn't make any payments directly from her Monzo account to her cryptocurrency account, but instead transferred money to her account with another bank before passing it on.

In February 2025, Miss B complained to Monzo about the following six payments, all of which went to the same external bank account:

	Date	Amount
1	17/01/2025	£3,000
2	18/01/2025	£790
3	21/01/2025	£3,000
4	21/01/2025	£3,000
5	24/01/025	£2,000
6	24/01/2025	£4,000

Miss B said Monzo didn't do enough to prevent her from falling victim to the scam and that she wouldn't have lost her money, had it intervened.

Monzo didn't uphold Miss B's complaint. It said it couldn't offer her any reimbursement as she sent the payments to an account in her name. Monzo also said that it acted in accordance with Miss B's instructions, and she made the payments despite having been provided with and having access to education on scams like the one she fell victim to.

Miss B wasn't happy with this response and referred her complaint to this Service in March. One of our investigators looked into it but didn't recommend that her complaint be upheld.

They found that Monzo had acted appropriately in the circumstances and that it wasn't responsible for Miss B's loss.

Miss B didn't accept this recommendation and asked for the complaint to come to an ombudsman 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

It's not in dispute that Miss B lost her money in a scam, and that she authorised the above payments. When Miss B made these payments in January 2025, there was a mandatory requirement in place for UK Payment Service Providers to reimburse their customers who become victims of fraud through making authorised payments from their bank accounts (in other words via the Faster Payments system) in some circumstances.

Unfortunately for Miss B, the reimbursement requirement only covered payments made to accounts that were not under the payee's control, which wasn't the case here as she made all six payments to her own bank account.

In broad terms, the starting position at law is that a bank such as Monzo, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account.

However, this doesn't automatically mean that Monzo cannot bear any responsibility for what happened to Miss B. Banks have a regulatory responsibility to conduct their business with due skill, care and diligence, and to pay due regard to their customers' interests and treat them fairly. Banks also need to take steps to reduce the risk that their systems might be used to further financial crime. In practice, this means keeping customers' money safe and taking steps to prevent financial harm.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Miss B when she authorised the payments from her account or whether it could, and should, have done more before processing them.

Should Monzo have recognised that Miss B was at risk of financial harm from fraud when she authorised payments 1 and 2?

Miss B opened her Monzo account on 6 January 2025. On 17 January, Miss B transferred an amount of £3,000 into the account from another of her bank accounts and paid it out again to a different account (Payment 1 in the above table). On 18 January, Miss B made three cash deposits and transferred these funds out again the same day in a single payment of £790 (Payment 2).

Monzo confirmed that the payee name and account number matched the details held with the receiving bank before processing these payments and noted that no fraud warnings were triggered.

Miss B made these payments to her account with a bank that provides services for

cryptocurrency platforms. It doesn't deal exclusively in cryptocurrencies however, and Monzo wouldn't have been aware that Miss B intended to move the money on from there to her cryptocurrency account.

There hadn't been any transactions on the account prior to the 17th and so Monzo had no account history to compare these with.

There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments. Whilst banks have an obligation to act in their customers' best interests, they can't reasonably be involved in every transaction. To do so would involve significant disruption to legitimate payments.

Altogether, I don't think that Monzo acted unreasonably when it processed these payments for Miss B. Monzo is obliged to process payments efficiently without undue delays and, overall, I don't think it treated Miss B unfairly or without regard to her interests by doing so in this case.

Should Monzo have recognised that Miss B was at risk of financial harm from fraud when she authorised payments 3 and 4?

On 20 January, Monzo stopped a payment of £6,000 Miss B was attempting to send to the same external bank account as before and blocked her account. Miss B called Monzo and said the payment was to purchase a car. She was asked about the detail of her purchase, for example where she'd seen the car advertised, and was asked to supply a photo and her V5 certificate. Miss B provided these, and a loan agreement dated 20 January for £6,000. The lender matched the reference on a deposit into Miss B's account for this amount made earlier that day.

On 21 January, a representative from the bank's specialist team called Miss B. They checked if she had been asked to download any software, asked Miss B about the detail of the purchase and warned her about impersonation scams in which fraudsters posing as her bank might ask her to move money out of her account.

After the call, Monzo confirmed to Miss B via the online chat in her banking app that her account was unblocked. It also advised Miss B via the chat about what to look out for when making payments to protect herself from fraud.

Miss B then made two payments of £3,000. She had asked Monzo whether the payment of £6,000 had been stopped because of the size of it, and mentioned she'd made a previous payment of £3,000. Monzo reassured Miss B that the size of the payment hadn't been an issue, but this might explain why she didn't attempt to transfer £6,000 again in a single payment.

I think Monzo's intervention here was reasonable and proportionate. Miss B gave plausible and consistent answers to its questions and provided appropriate evidence. Altogether, I don't think Monzo made an error when it processed these payments for Miss B.

Should Monzo have recognised that Miss B was at risk of financial harm from fraud when she authorised payments 5 and 6?

On 24 January, Miss B paid three lots of £2,000 into her account with the reference 'My savings'. I've noted that Miss B used this reference for her first deposit of £3,000 on 17 January and she'd told Monzo that she'd saved this money and used it for her car deposit. These four deposits all came from the same bank account in Miss B's name.

Miss B transferred this money out of her account to her external bank account the same day (payments 5 and 6 in the above table). As mentioned, these payments were going to an account in Miss B's name and Monzo had confirmed that the account name and number matched the details held with the receiving bank.

I have considered that Miss B told Monzo that the £6,000 payment a few days earlier was to pay the remainder owing on her car purchase, and so these payments must have been for something else. However, I don't think that these transactions – either the deposits or the payments out – made on the 24 January were so unusual, or out of character, that they should have prompted another intervention, bearing in mind Monzo's obligations to make payments promptly and that it had recently discussed another transaction with Miss B and provided verbal and written warnings about fraud.

Altogether, I don't think that Monzo acted unreasonably or treated Miss B unfairly when it processed these payments for her.

I have considered whether Monzo could have recovered Miss B's funds when it found out about the scam. As mentioned, these payments were not made directly to the scammer but to an account in Miss B's name. Under these circumstances, there were no grounds for Monzo to request a return of the funds as they went to an account which was under Miss B's control, and I don't think it got anything wrong by not attempting to recover the funds.

I don't doubt that this has been a very difficult experience for Miss B. I am sorry she's lost her money and that I can't provide the resolution she's hoping for. For the reasons I've explained, I can't fairly hold Monzo responsible for her loss, and so I am not upholding her complaint.

My final decision

For the reasons I've explained above, I am not upholding Miss B's complaint about Monzo Bank Ltd and don't require it to take any action in this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 18 September 2025.

Michelle Boundy
Ombudsman