The complaint

Mr W complains that Monzo Bank Ltd will not refund the money he lost as the result of a scam.

Mr W brought his complaint through a representative. For ease of reading I will refer solely to Mr W in this decision.

What happened

As both parties are familiar with the details of the scam, I will not repeat them here in full. In summary, Mr W fell victim to a job/task scam. He was contacted on WhatsApp and offered the opportunity to earn commission for completing tasks (increasing the rating and visibility of hotels) online. To participate he had to first send funds to a cryptocurrency account in his name and from there to the scammer's digital wallet. When he was told he needed to make increasingly high-value transfers in order to access certain tasks he realised he had been scammed. By then he had made the following payments by debit card to his cryptocurrency account. He received two 'commission payments' from the scammer back into that digital wallet but these did not transfer to his Monzo account.

payment	date	value
1	05/03/2025	£0.10
2	06/03/2025	£80.97
3	07/03/2025	£405.17
4	08/03/2025	£512.62
5	09/03/2025	£1,235.88
6	09/03/2025	£2,059.80

Mr W says Monzo did not do enough to protect his money. Monzo says the payments fell within Mr W's daily limits and were going to an account in his name. It had no reason to stop them and was not the point of loss.

Our investigator upheld Mr W's complaint in part. He said Monzo needed to intervene before processing payment 6, and would likely have broken the spell of the scam had it done so. But as Mr W could also have done more to prevent his loss Monzo should refund 50% of payment 6.

Mr W accepted this assessment, but Monzo did not. In summary, it does not agree it should have intervened. This is because the payments were relatively low value; made to an account in Mr W's name at a legitimate merchant; and account use can change over time. In addition, it was not the point of loss, that was the crypto exchange.

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.

First, to address Monzo's argument that it was not the point of loss. In the circumstances of this case, which can be characterised as a continuous scam without a break in the chain of causation, I remain satisfied that the acts and/or omissions of Monzo should be reviewed when deciding liability for the loss. I accept that Mr W had control of the recipient account that the payments were made to. However, the transfers were made at the behest of the scammer. Given the chronology of the payments in the journey of the scam - and the prevalence of multistage scams involving cryptocurrency by this time - I am satisfied it is reasonable to consider Monzo's actions. I have found no evidence of any new, intervening acts that prevent me from fairly making this conclusion.

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 (in this case the 2017 regulations) and the terms and conditions of the customer's account. And it is not in dispute here that Mr W made and authorised the payments.

But, it does not end there. Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in March 2025 that Monzo should:

• have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
• 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;
• in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
• have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

It is in this context I find Monzo can fairly be held liable in part for Mr W's loss from payment 6. I'll explain why.

There are a number of factors, when combined, that mean I think Monzo needed to pause and make further checks before processing payment 6. It took the total Mr W had transferred to an identifiable cryptocurrency exchange (which is inherently more risky) to a value that was out of character for his account. He had no previous history of crypto activity and had not stated that the account would be used in this way when he opened it. And by payment 6 a pattern had emerged that was typical of fraud as the payment values were increasing each time.

This means I need to decide what the likely outcome of a proportionate direct intervention would have been. Here, had Monzo asked a series of open questions to establish the basic context of the payment I think it, as the fraud expert, would have uncovered the scam and thus prevented the loss. All the characteristics of a job/task scam were easily identifiable. There is no evidence in the messages between Mr W and the scammer that shows he had been given a cover story or that they had discussed what he should say if his bank intervened. So it is reasonable to assume he would have been honest.

And I have no reason to think Mr W would not have taken a scam warning from the bank seriously. The chat with the scammer shows that by 7 March 2025 he already had doubts about the legitimacy of the ‘job’.

It follows I find Monzo can fairly be held liable for the loss from payment 6, in part.

Should Mr W bear some responsibility for the overall loss?

I’ve considered carefully whether Mr W should hold some responsibility for his loss by way of contributory negligence. On balance, I think Mr W should be held responsible in part. There were red flags here. Legitimate roles do not require you to send money in advance as a cryptocurrency, after an unsolicited contact via WhatsApp. And at the time Mr W sent money there were already multiple warnings online about such opportunities.

Overall, I’m not satisfied that it was reasonable for Mr W to proceed without doing more to verify the opportunity.

I am therefore instructing Monzo to refund only 50% of Mr W’s losses.

Did Monzo do what it should to try to recover Mr W’s money?

As the payments were made by debit card the recovery route would have been the chargeback scheme. However, any chargeback claim would not have been successful as the recipient had provided the service Mr W bought from it i.e. the funds were received in his digital wallet. So, there were no grounds for dispute. It follows I do not find any failings on Monzo’s part in this regard.

Putting things right

• Refund 50% of payment 6 which was for £2,059.80 (so £1,029.90)*; and
• Pay interest on the above amount at the rate of 8% simple per year from the date of payment 6 to the date of settlement.*

I have found no grounds to award the additional £250 compensation Mr W requested.

*If Monzo considers that it’s required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W how much it has taken off. It should also give Mr W a tax deduction certificate if he asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I am upholding Mr W’s complaint in part. Monzo Bank Ltd must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 11 December 2025.

Rebecca Connelley
Ombudsman