

The complaint and background

Mr M complains Monzo Bank Ltd won't reimburse money he lost when he fell victim to a scam. He is represented in his complaint.

In November 2023, Mr M paid over £6,000 to what he was led to believe was a legitimate crypto-currency investment opportunity. He came to the realisation it was likely a scam when he couldn't withdraw any funds.

Our investigator didn't uphold a complaint, as although they found Monzo ought to have intervened in a large payment that was made, they weren't persuaded that would have prevented Mr M's loss. That was because Mr M had come across the opportunity from friends and colleagues who had successfully invested, and withdrawn proceeds, from the same opportunity. They had also reviewed the app, and testimonials and found that it looked professional; and at the time of the payments there wasn't anything to indicate this might have been a scam.

Mr M's representative has asked for the matter to be referred to an Ombudsman. In summary, they consider the Contingent Reimbursement Model (CRM) applies regardless of the destination account being in Mr M's name – and a lack of warning or delay falls short of CRM expectations and a general duty of care. They also consider that an intervention would have stopped Mr M from making any further payments.

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.

Having done so, I agree with the investigator's conclusions for the following reasons:

- It isn't in dispute that Mr M authorised the transactions in question. He is therefore initially presumed liable for the loss. However, Monzo is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.
- The very first payment as a result of the scam was for £100. I'm not persuaded there is anything about that payment, even if going to crypto-currency, that ought to have looked suspicious to Monzo. However, the second payment made later that month, was for substantially more, at £5,400. That payment ought to have caused Monzo some concern and it was a change in the operation of the account. Mr M rarely made sizeable transactions out of his account. Not only was this a large sum, but a large sum going to crypto-currency. As noted by the investigator, by the time of the payment, crypto-currency scams had become more prevalent, with many banks placing restrictions on the amount of money that could be sent within set periods of time; and some payment types not being allowed at all, such as by credit card. I therefore find that Monzo ought to have provided Mr M with a warning before processing the payment.

- However, I also agree with the investigator that I'm not persuaded a warning from Monzo would have stopped Mr M from making the payments. I say this because Mr M had come by this opportunity via friends and colleagues, which isn't a typical hallmark of crypto scams. He had seen screenshots of their investments and withdrawals, which gave him confidence in the platform and provided reassurance. He said the app appeared trustworthy, it was well designed, had live investment tracking and positive testimonials. Furthermore, whilst warnings about the platform were published later, I'm not aware of there being any information in the public domain at the time of his payments, that would have caused Mr M any concern, or that Monzo could have pointed to, that might have indicated he could be falling victim to a scam. So even had Monzo provided a warning, I'm not persuaded that would have prevented Mr M's loss.
- Finally, I note the representative's arguments in relation to the CRM code. The investigator is right the CRM code doesn't apply to the payments Mr M made. The definition of an APP Scam within the code requires the payment to be made to *another* person – my emphasis. Here Mr M was paying himself, as he was paying money to an account with a crypto currency provider that was held in his own name. Therefore, its provisions don't apply to these transactions [see DS1(2)(a)(i) and (ii) of the code].

My final decision

For the reasons given, 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 M to accept or reject my decision before 2 October 2025.

Claire Hopkins
Ombudsman