DRN-5777154

The complaint

Mr W complains that Monzo Bank Ltd (Monzo) is refusing to refund him the amount he lost as the result of a scam.

Mr W is being represented by a third party. To keep things simple, I will refer to Mr W throughout my decision.

What happened

In summary, Mr W tells us that he received a cold call from a business I will call X having previously applied for a new job.

X offered Mr W a job that he said included him sending funds via cryptocurrency to "prime the website and use it as a pot of cash to allow use of the web site." Mr W says he never truly understood how it was supposed to work.

Mr W says he opened the account with Monzo and another provider for the purpose of the scam, he also opened a cryptocurrency account and purchased cryptocurrency via peer-to-peer payments to fund the scam.

Mr W says he spoke to X via a popular messaging service, but the messages are no longer available. Mr W realised he had been scammed when he ran out of money and confronted X. The messages in the app were then deleted by X.

Mr W has disputed the following payments made from his Monzo account in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	9 June 2023	Individual 1	Transfer	£240
2	9 June 2023	Individual 1	Transfer	£830
3	11 June 2023	Customized Trade Corp sp	Transfer	£2,000
4	13 June 2023	Noble Trading Pty Ltd	Transfer	£5,200
5	13 June 2023	Individual 2	Transfer	£200
7	14 June 2023	Noble Trading Pty Ltd	Transfer	£4,000
8	15 June 2023	Noble Trading Pty Ltd	Transfer	£1,310

In my provisional decision sent on 25 July 2025 I explained why I didn't think Mr W's complaint should be upheld. I said:

"Recovering the payments Mr W made

Mr W made payments into the scam via transfer. When payments are made by transfer Monzo has limited options available to it to seek recover.

Mr W didn't make the disputed payments to the scammer directly. Instead, Mr W made genuine peer-to-peer payments in exchange for cryptocurrency that was provided to him in exchange for the payments he made. As it took further steps for those funds to end up in the *hands of the scammer any recovery attempts made for the payments Mr W did make would have little chance of success. I am however pleased to see that Monzo was able to recover £200 of the funds lost to the scam.*

Should Monzo have reasonably prevented the payments Mr W made?

It has been accepted that Mr W authorised the payments that were made from his account with Monzo, albeit on X's instruction. So, the starting point here is that Mr W is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Monzo should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

The successful payments Mr W made in relation to the scam were for relatively low values other than payment 4 which was for more than £5,000. Considering the value of this payment I think it would have been reasonable for Monzo to have intervened and asked Mr W more details about what the payment related to. But I don't think this would have made a difference. I will explain why.

On 16 June 2023 Mr W again attempted to make a payment in relation to the scam, to the same payee as he made payment 4. This time the payment was for the much higher value of £13,000.

Calls took place between Mr W and Monzo following this payment attempt where the purpose of the payment was questioned. Mr W confirmed:

- *He recognised the payment*
- *The payment was to buy crypto*
- *Noone was advising him*
- *He was making payments on his own behalf*
- *He opened the Monzo account so he could buy crypto*
- *He found out about Monzo via the cryptocurrency exchange*
- *He started investing having read about crypto and liking the idea*
- *This would be the last payment he was making as he had invested enough*

The information Mr W gave in this call was incorrect. Mr W has told us that he was making payments in relation to a job he was doing.

The above payment was then referred on due to its very high value £13,000 and eventually stopped, however I would not have expected the same level of intervention for payment 4 considering the value was much lower, £5,200.

Had Monzo intervened as I think it should have at payment 4, I think it should have asked similar questions to those it asked above. I don't have enough to say that Mr W would have been any more honest in the answers he provided then he did when he attempted to make the larger payment.

Giving incorrect answers to Monzo's questions would have made it very difficult for Monzo to uncover the scam that was taking place.

I think it's likely Mr W would have provided similar incorrect responses to Monzo's questions *had it intervened when payment 4 was made and he would have told Monzo that he decided to invest in cryptocurrency on his own and wasn't taking advice from anyone else.*

I don't think this would reasonably have caused Monzo to have concerns and I don't think it would be unreasonably for Monzo to have processed the payment. Given Mr W's convincing explanation and the lower value of the payment I would not have expected Monzo to intervene further, or for the payment to be escalated.

With the above in mind, I don't think Monzo missed an opportunity to prevent the scam, and it is not responsible for Mr W's loss."

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.

As neither Mr W, nor Monzo provided any further information for me to consider I see no reason to come to a different decision to that reached in my provisional decision outlined above.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 September 2025.

Terry Woodham
Ombudsman