

The complaint

Mrs H is complaining about Monzo Bank Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs H fell victim to a cruel investment scam. In short, she was tricked into purchasing cryptocurrency that she then transferred to the scammers to make what she thought was a legitimate investment. The scam was funded by the following transfers from her Monzo account to her account with a cryptocurrency exchange:

No.	Date	Amount £
1	16 Nov 2024	600
2	21 Nov 2024	400
3	5 Dec 2024	350
4	3 Jan 2025	150
5	11 Jan 2025	400
6	15 Jan 2025	800
7	16 Jan 2025	400
8	17 Jan 2025	900
9	21 Jan 2025	438

Our investigator didn't recommend the complaint be upheld. She didn't think there were sufficient grounds for Monzo to suspect the payments could be part of a scam or that it should have intervened in the payment process to question them.

Mrs H didn't accept the investigator's assessment. She says the fact the payments were sent to cryptocurrency and that she made multiple payments in a short space of time were red flags that should have triggered intervention, additional checks or at least a scam warning.

The complaint has now been referred to me for review.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mrs H authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mrs H.

The payments

I must take into account that many similar payment instructions Monzo receives will be entirely legitimate. I also understand this was a new account and there was no history of past activity against which these payments might have looked suspicious. Finally, I need to consider the bank's responsibility to make payments promptly.

Having considered what Monzo knew about the payments at the time, I'm not persuaded it ought to have been particularly concerned about them. The payments were to cryptocurrency, which the bank should have known carried a greater risk of being associated with fraud, but the amounts involved were relatively low and they were spread out over a period of more than two months. So I don't think a pattern of multiple, rapid and increasing payments consistent with many known scams was present. On balance, taking everything into account, I don't think there were sufficient grounds for Monzo to suspect Mrs H was at risk of harm from fraud and I can't reasonably say it was at fault for processing the payments in line with her instructions.

I want to be clear that it's not my intention to suggest Mrs H is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Monzo and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

Mrs H isn't eligible for a refund under the industry's reimbursement scheme for authorised push payment (APP) fraud, which replaced the CRM Code from October 2024, as she sent money to accounts in her own name. Nonetheless, I've looked at whether Monzo could or should have done more to try and recover her losses once it was aware the payments were the result of fraud.

I understand Mrs H first notified Monzo of the fraud a number of weeks after the last payment was made and it's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery.

In any event, Mrs H transferred funds to a legitimate cryptocurrency account in her own name. From there, she purchased cryptocurrency and moved it onto a wallet address of her choosing (albeit on the scammers' instructions). Monzo could only try to recover funds from her own account and it appears all the money had already been moved on. If not, anything that was left would still have been available to her to access.

In the circumstances, I don't think anything that Monzo could have done differently would likely have led to these payments being recovered successfully.

In conclusion

I recognise Mrs H has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Monzo acted fairly and reasonably in this instance and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 25 February 2026.

James Biles
Ombudsman