

The complaint

Miss O complains that Monzo Bank Ltd (Monzo) is refusing to refund her the amount she lost as the result of a scam.

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

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Miss O has told us that she interacted with an individual's page on social media who specialised in investment. I will call the individual "X". X then contacted Miss O and guided her to set up an account with a messaging application as well as other accounts that appeared to be used in relation to investment.

Miss O started to invest on the guidance of X but when she attempted to make a withdrawal she was asked to make further payments first.

Miss O realised she had fallen victim to a scam when she discussed the investment with a family member and was contacted by the real person that she thought she had been talking to.

Miss O has disputed the following payments made in relation to the scam from her Monzo account:

Payment	Date	Payee	Payment Method	Amount
1	25 January 2025	Moonpay	Debit Card	£400.00
2	31 January 2025	Moonpay	Debit Card	£1,500.00
3	2 February 2025	Moonpay	Debit Card	£200.00
4	3 February 2025	Moonpay	Debit Card	£150.00
5	5 February 2025	Moonpay	Debit Card	£300.00
6	7 February 2025	Moonpay	Debit Card	£3,600.00
7	7 February 2025	Moonpay	Debit Card	£700.00
8	11 February 2025	Moonpay	Debit Card	£1,600.00
9	17 February 2025	Moonpay	Debit Card	£1,600.00
10	18 February 2025	Moonpay	Debit Card	£1,100.00
11	18 February 2025	Moonpay	Debit Card	£600.00
	19 February 2025			£1,200.00cr
	19 February 2025			£500.00cr
12	19 February 2025	Moonpay	Debit Card	£1,200.00
13	19 February 2025	Moonpay	Debit Card	£500.00
14	28 February 2025	Moonpay	Debit Card	£2,700.00
15	1 March 2025	Moonpay	Debit Card	£1,200.00
16	1 March 2025	Moonpay	Debit Card	£1,500.00

17	1 March 2025	Moonpay	Debit Card	£1,500.00
18	1 March 2025	Moonpay	Debit Card	£1,500.00
19	1 March 2025	Moonpay	Debit Card	£700.00
20	2 March 2025	Moonpay	Debit Card	£1,500.00
21	2 March 2025	Moonpay	Debit Card	£2,000.00
22	2 March 2025	Moonpay	Debit Card	£800.00

Our Investigator considered Miss O's complaint and thought it should be upheld in part. Monzo disagreed, so this complaint has been passed to me 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.

It has not been disputed that Miss O has fallen victim to a cruel scam. The evidence provided by both Miss O and Monzo sets out what happened. What is in dispute is whether Monzo should refund the money Miss O lost due to the scam.

Recovering the payments Miss O made

Miss O made payments into the scam via her debit card. When payments are made by card the only recovery option Monzo has is to request a chargeback.

But Miss O didn't make the disputed payments to the scammer directly. Instead, she made the payments to a well-known cryptocurrency exchange in exchange for cryptocurrency that was provided to her. As it took further steps for those funds to end up in the hands of the scammer, any attempt to recover the payments Miss O has disputed would have no prospects of success.

Should Monzo have reasonably prevented the payments Miss O made?

It has been accepted that Miss O authorised the payments that were made from her account with Monzo, albeit on X's instruction. So, the starting point here is that Miss O 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 being made. And if it had intervened, would it have been able to prevent the scam taking place.

Monzo says the payments were not made in quick succession and as the payments started being made with lower values, the larger value payments made later would not have caused concerns. Monzo says there was not an opportunity for it to intervene.

Monzo has also said that it is a "crypto friendly bank" and as Miss O had previously used crypto providers, her payments did not appear suspicious.

I have thought about what Monzo has said when forming my decision. And I don't think the first payments Miss O made in relation to the scam were of such a significant value that they would reasonably have caused Monzo to have concerns that she may have been at risk of financial harm.

However, when Miss O made payment 6, she was making a more significant payment (£3,600) to a known cryptocurrency exchange. The amount Miss O was sending was not in keeping with how she had previously operated her account. Considering the increased risk associated with payments made in relation to cryptocurrency, that Monzo would have been aware of at the time, I think Monzo should have had concerns when Miss O made payment 6 and it should have intervened.

I think that a proportionate intervention would have been for Monzo to have provided a warning tailored to cryptocurrency investment scams that tackled some of the key features often found in such scams.

Considering Miss O had found the investment opportunity via social media and was making additional payments to access her profits I think it's most likely the scam would have been uncovered and Miss O's loss from payment 6 could have been prevented.

As Monzo didn't intervene in the way I have said it should have done I don't have enough to say that Miss O wouldn't have taken notice of such a warning, or that she would have continued to make the payments.

Monzo is therefore responsible for Miss O's loss from payment 6 onwards.

Did Miss O contribute to her loss?

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I do think it would be fair to reduce compensation by 50% on the basis that Miss O should share blame for what happened.

I say this because Miss O started investing large amounts with guidance from someone that she thought she was in contact with having never met them before in person. Miss O was also making large payments without seeking any form of independent advice or receiving any formal documentation.

Had Miss O taken more care and carried out further due diligence before making the disputed payments I think she could also have avoided her loss.

Putting things right

To put things right I require Monzo Bank Ltd to refund 50% of Miss O's loss from payment 6 onwards. To do this it should:

- Refund all payments Miss O made in relation to the scam from payment 6 onwards less the credits received. Monzo can deduct 50% from this amount to account for Miss O's own liability
- Pay 8% simple interest on the amount it pays Miss O from the date of loss to the date the payment is made (less any lawfully deductible tax)

My final decision

I uphold this complaint and require Monzo Bank Ltd to put things right by doing what I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept

or reject my decision before 18 February 2026.

Terry Woodham
Ombudsman