

The complaint

Mr M complains Monzo Bank Ltd won't reimburse money he lost when he fell victim to a scam.

What happened

I issued my provisional decision to both parties on 1 September 2025 so they first had an opportunity to comment on my findings. I have included a copy of it below:

Mr M paid £20,550 between July 2023 and November 2023 for what he was led to believe was a legitimate investment opportunity. Mr M sent funds to genuine cryptocurrency exchanges before transferring them to the scammer's wallet. When he then attempted to withdraw his funds he was informed taxes and fees would have to be paid first. He was then contacted by the scammers impersonating regulatory bodies, who Mr M believed to be genuine, offering to help him recover his funds. However, these scammers then stopped responding to him and he realised this to be a scam as well. It was at this point that he raised his scam concerns with Monzo.

Our investigator upheld the complaint as she found Monzo ought to have intervened with a tailored warning about cryptocurrency investment scams when Mr M made a payment of £9,000 on 11 July 2023. She did not include any compensation for £2,500 worth of payments - as the funds used were sent to Mr M from an unknown individual, who Mr M thinks was also being scammed. Our Investigator applied a deduction of 33.3% for Mr M's actions leading to the loss.

Mr M accepted our Investigator's outcome. However, Monzo disagreed. In summary, Monzo maintains its stance that during the intervention on Mr M's initial payment he was not forthcoming with the details and so he would not have been during subsequent payments either. It also did not believe it had any duty to issue another warning after having done so on his first payment.

As the complaint could not be resolved informally it has been passed to me to reach a decision.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

What I've provisionally 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 decided to not uphold this complaint. I'll explain why below:

- It isn't in dispute that Mr M authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Monzo is aware, taking longstanding regulatory expectations and requirements into account, and what was considered 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.*
- I have kept in mind the payments were identifiably being sent to cryptocurrency, so Monzo should have noted this when considering what action to take.*
- On balance, taking into account that Monzo needs to take an appropriate line between protecting against fraud and not unduly hindering legitimate transactions, I think Monzo ought to have been sufficiently concerned about Mr M's initial payment of £5,000 on 10 July 2023. Given what Monzo knew about the destination of the payment, I think that the circumstances should have led Monzo to consider that Mr M was at heightened risk of financial harm from fraud. I am satisfied that it is fair and reasonable to conclude that Monzo should have provided a tailored cryptocurrency investment scam warning before this payment went ahead.*
- However, I am not persuaded such a written warning would have resonated with Mr M. I say this because he says the scammer told him how to respond if questioned. Mr M states he did ask the scammer why, to which they explained to him that banks don't like losing business to cryptocurrency.*
- Mr M had constant telephone conversations ranging from what he believed to be regulatory/government bodies to legal recovery firms – which were all the scammers. I don't have copies of these calls and cannot be sure exactly what occurred. However, it's clear that Mr M did trust what he was told initially and was very likely under their influence.*
- Coaching is evident from the fact Mr M only shared the details that reassured Monzo, not what was happening with his funds next that would have been a red flag. During Monzo's intervention Mr M pro-actively informed it via the in-app chat: "There is no problem I'm just moving money from 1 account to another. Both are my personal accounts". Had Mr M shared the details of the final destination for this payment Monzo may well have likely been able to uncover the scam. Although, I do not doubt he was so willing to listen to the scammers because of the desperation to recover his invested funds.*
- I do think Monzo could have probed Mr M further during its intervention, rather than just supplying him with scam education and some general scam warnings. But, I'm not persuaded it would have made any difference.*
- Ultimately, I've not seen any evidence that Monzo should have been aware that Mr M was sending his funds from the cryptocurrency exchange directly to the scammer. I can only fairly ask Monzo to reimburse Mr M if I find that any wrongdoing on its part caused his loss. However, I'm not persuaded it did.*
- Similarly, as per the above reasoning, I'm not persuaded that had a later intervention occurred that it would have prevented Mr M's losses.*
- There were not any prospects of Monzo being able to successfully recover Mr M's funds either. Monzo would only have been able to attempt recovery from his own accounts at the cryptocurrency exchanges. Had Mr M not sent the funds from his wallets to the scammer they would still be within his control.*
- Although Monzo has committed to applying the Contingent Reimbursement Model Code, the payments Mr M made from his account aren't covered by the Code because he made them to his own account – rather than to another individual's account. I cannot fairly and reasonably say that Monzo should have to refund payments under the Code when it doesn't apply here.*

- *I've noted Mr M has referenced decisions that he believes are close to his circumstances. However, we consider each case on its own individual merits and although he believes the circumstances of other decisions seem to be similar, there are key differences.*

Whilst Mr M has undoubtedly been the victim of a sophisticated cruel scam, I can only uphold his complaint if I'm satisfied Monzo's actions made a material difference to what happened. Ultimately, for the reasons given, I'm not persuaded it did.

Monzo responded and accepted my findings. Mr M responded disagreeing and in summary said the following:

- Monzo should have been aware that scammers groom consumers into setting up accounts with genuine cryptocurrency companies and then have the cryptocurrency moved onto a scammer's wallet under the guise of a trading platform.
- He was instructed to download screensharing software – which is a typical hallmark of scams. Monzo failed to ask probing and relevant questions that would have uncovered the scam. Monzo's duty is to satisfy itself its account holders aren't falling victim to a potential scam.
- Monzo failed to intervene and provide effective scam warnings.
- The account was new and the activity should have been seen as suspicious. Especially as Monzo had identified a risk as the account had been frozen, yet still allowed the payments to proceed.
- The cryptocurrency exchange used is well-known for being used for scams.

Although I have only written the above as a summary, and I may not respond to each point individually, I have considered Mr M's points in full.

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 am still not upholding Mr M's complaint. I did consider within my provisional decision that Mr M's payments were identifiably being sent to cryptocurrency. And, alongside the size of this initial payment, I decided an intervention should have occurred. However, I am not persuaded that the level of intervention I would have expected on 10 July 2023, a cryptocurrency investment scam warning, would have prevented his losses. Nor have I seen evidence that persuades me a later intervention would have.

Ultimately, as per his own testimony, Mr M had been coached by the scammer and was prepped on how to respond to questions. This is also evidenced by how he did respond to Monzo in the in-app chat. Therefore, I am not persuaded an intervention from Monzo could have prevented his losses.

My final decision

My final decision is that I do not uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 October 2025.

Lawrence Keath

Ombudsman