

The complaint

Mrs S complains that Monzo Bank Ltd ('Monzo') won't refund her the money she lost after she fell victim to an Authorised Push Payment ('APP') scam.

In bringing her complaint to this service Mrs S is represented.

What happened

I issued a provisional decision for this complaint on 2 September 2025. In it I set out the background and my proposed findings. I've included a copy of the provisional decision at the end of this final decision, in italics. I won't then repeat all of what was said here.

Both parties have now had an opportunity to respond to the provisional decision. Monzo responded and accepted the outcome.

Through her representatives, Mrs S also responded, but didn't accept the outcome. In summary, her representatives argued that saying no intervention would have made a difference, was not supported by any tangible evidence, other than the scam correspondence showing that Mrs S was being coached. It said while the evidence was that Mrs S was being coached, it wasn't that Mrs S would have ignored what Monzo would have instructed her had to do, had it of intervened. It added that it was unreasonable to reach such a conclusion.

As all parties have now had the opportunity to respond, I'm going on to issue my final decision.

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.

I've considered Mrs S's further comments, but these don't change my outcome here. Mrs S has argued, in summary, that it is unfair to reach a conclusion that had Monzo intervened it wouldn't have made a difference, as there was no evidence to support this assumption.

As I said in my provisional decision, I can't know for sure what would have happened, had Monzo intervened, so I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened, taking into account what I know.

It's not in dispute, indeed Mrs S' representatives have pointed out, that the evidence shows that Mrs S was being coached by the scammer. Alongside this, I'm persuaded the evidence also demonstrates that Mrs S followed the fraudsters instructions and gave inaccurate information about the purpose of her payments, moving passed warnings – this is true of both her interactions with Monzo and with payments Mrs S made from other payment service providers.

Taken collectively, I'm satisfied that the evidence, which I consider to be both tangible and compelling, supports that it is more likely than not that, had Monzo provided a tailored warning as I think it ought to have done, Mrs S would have moved passed it, under the guidance of the fraudsters, and it wouldn't have made a difference. The weight of evidence here simply doesn't support that Mrs S would, on balance, have heeded a proportionate warning from Monzo.

I am sorry that Mrs S has lost money in this way and she does have my sympathy. But based on the evidence I've seen, it wouldn't be fair or reasonable for me to ask Monzo to refund her the money she has sadly lost.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 15 October 2025.

Provisional Decision

I've considered the relevant information about this complaint.

I intend to reach a different outcome to that of the Investigator. And in doing so, I wanted to give both parties an opportunity to respond with any further points before issuing my final decision.

The deadline for both parties to provide any further comments or evidence for me to consider is 16 September 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I don't hear from Mrs S, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

The complaint

Mrs S complains that Monzo Bank Ltd ('Monzo') won't refund her the money she lost after she fell victim to an Authorised Push Payment ('APP') scam.

In bringing her complaint to this service Mrs S is represented, but for ease of reading I will refer to Mrs S throughout this decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

Mrs S has explained that throughout 2023, she had been looking for part time work to supplement her income. In or around April 2023, Mrs S received a message, through a well-known messaging app, from somebody claiming to be a recruiter, about a job opportunity. She was told the job entailed reviewing electrical items online to increase their rating, for which she would earn commission. Believing everything to be genuine, Mrs S proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Mrs S to pay her own money in order to proceed with the work.

As part of the scam, as well as using accounts she already held, Mrs S was instructed by the fraudsters to open multiple accounts, with other payment service providers (including opening a Monzo account), as well as with cryptocurrency platforms.

The scam saw Mrs S moving money between her accounts to facilitate payments and making faster payments to individuals (four in total) who were selling cryptocurrency through 'peer-to-peer' (P2P) exchange platforms. Her payments were then converted into cryptocurrency and subsequently transferred into accounts that were controlled by the fraudsters.

Mrs S made the following payments from her Monzo account;

Payment	Date	Time	Amount	Payee
1	17/04/2023	10:13	£233	Payee 1
2	17/04/2023	10:38	£664	Payee 2
3	22/04/2023	13:17	£499	Payee 3
4	25/04/2023	07:44	£4,000	Payee 4
5	25/04/2023	07:57	£3,000	Payee 4

Mrs S realised she'd been scammed when she was unable to withdraw any of the money she had sent and was asked by the fraudsters to continue making payments.

Mrs S raised the matter with Monzo, but it didn't uphold her complaint. Unhappy with Monzo's response, Mrs S brought her complaint to this service. One of our Investigators looked into things and thought the complaint should be upheld in part. In summary, our Investigator thought Monzo ought to have intervened at the point Mrs S made the fifth payment, in the table above. It was our Investigator's view that had Monzo intervened at this point and warned Mrs S, it would have made a difference, and she wouldn't have gone ahead with this payment.

But our Investigator also thought Mrs S should bear some responsibility for her loss. In summary, this was because she thought there was enough going on that ought to have led her to have some concerns about the legitimacy of the job.

Neither Mrs S, nor Monzo, agreed with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me for a decision.

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 thought about everything carefully, I don't think Monzo is responsible for refunding the money Mrs S sadly lost. I'm sorry to hear that Mrs S has been the victim of a cruel scam. I don't underestimate her strength of feeling, and I know this will come as a disappointment to her, so I'll explain why.

Monzo has agreed to follow the principles of the Lending Standards Board's Contingent Reimbursement Model (CRM Code). Under certain circumstances, this Code can require that firms reimburse customers who have fallen victim to scams. However, the Code doesn't apply to these payments because Mrs S made genuine P2P payments for the purchase of cryptocurrency, which resulted in cryptocurrency being paid into a wallet she held (before the funds were subsequently moved into accounts that the fraudsters controlled) - a scenario which means the CRM Code isn't an applicable consideration in this case.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. Here, it is not in dispute that Mrs S authorised the payments in question, so that means she is liable for them, even though she was the victim of a scam.

However, that is not the end of the story. The regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victim to scams.

So, in this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mrs S when it processed the payments, or whether it should have done more than it did.

In doing so, I'm mindful that firms, such as Monzo, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment(s) against not holding up or delaying its customer's requests. I'm also mindful here that Mrs S' Monzo account was newly opened. What this means is that Monzo would have had no historical account activity, upon which to compare the transactions that were being made as part of this scam.

However, I've seen here that the payments Mrs S made from her Monzo account did increase in frequency and value. Alongside this, Mrs S was making payments to multiple new payees which can sometimes, but not always of course, be indicative of fraud. And, when looking at payments four and five in the table above, they were international payments which adds an additional layer of risk. With this in mind, I think at the point Mrs S was making payment four, there was enough going on that I would have reasonably expected Monzo to have recognised a potential risk.

But this in and of itself, isn't enough for me to say that Monzo should refund Mrs S the money she lost. Although I think Monzo could have done more than it did, I also need to be persuaded that its intervention would have made a difference and prevented the payments from being made. Of course I can't know for sure what would have happened, had Monzo intervened, so I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened, taking into account what I know.

A proportionate response in such circumstances would have been for Monzo to have provided a warning that broadly covered general scam risks. However, I'm not persuaded, in the circumstances of this case, that this would have prevented Mrs S from wanting to proceed with the payments.

I say that as Mrs S has told us, and the evidence I've seen shows, that she had been subject to social engineering and was being coached by the scammer. This coaching included how she should answer questions posed about the payments she was making and speaking with the fraudster while making the payments. From what I've seen, Mrs S followed the fraudster's directions. This is evident with what happened with the payments Mrs S made from Monzo, and with payments Mrs S made from other payment service providers, where she gave inaccurate information about the purpose of the payments and moved passed warnings she had been given about potential scams. Indeed, Mrs S appeared to be getting frustrated with one of her bank's attempts to protect her, when it blocked her account to make further enquiries.

I'm persuaded here that even if Monzo's intervention had gone as far as carrying out some sort of intervention to establish further details surrounding the payments, and to then provide a tailored warning through its automated functions, based on any apparent risk that may present itself, it wouldn't have made a difference. I say that as the weight of evidence here suggests that Mrs S was trusting of what the fraudster was telling her and most likely would have been prepared to follow the fraudster's instructions to unwittingly foil Monzo's attempt to identify the purpose of the payment(s). I'm persuaded it's also more likely than not that, under the guidance of the fraudster, she would have moved passed any warnings that I think Monzo could proportionately have given, as she had done with payments she'd made from other accounts she held.

I would add that in doing so, I do not suggest that Mrs S would have intended to be maliciously disingenuous with Monzo – rather I think the evidence suggests the relationship and trust she had built with the fraudster, would have led her to follow their advice and instructions.

Sadly, it seems to me that Mrs S was so under the spell of the fraudster and determined to make the payments that, even if further intervention had gone as far as preventing her from making payments and blocking her account, she'd have simply sent the funds from another of her accounts. Which I'm satisfied is evident and supported by what she went on to do when she had tried to make payments unsuccessfully from different places, she was influenced by the fraudster to make the payments from elsewhere, including opening new accounts to facilitate the payments.

Overall, with all things considered and given the circumstances, I don't think Monzo can fairly be held responsible for Mrs S' loss, and I don't think, in the individual circumstances of this case, it would likely have been able to prevent Mrs S from making these payments.

I've thought about whether Monzo could have recovered any of the funds Mrs S lost when it was made aware of the scam. Monzo did make attempts to recover the money Mrs S had sent from the beneficiary banks (the banks to which the payments were made) – but it was unsuccessful. Sadly, this was not surprising, given the funds had been exchanged into cryptocurrency and then been moved onto accounts controlled by the fraudsters.

I'm mindful that Mrs S has said she was vulnerable at the time the payments were made. I recognise that Mrs S has fallen victim to a scam and of the difficult personal circumstances that she had been faced with. But I haven't seen anything to suggest that Monzo were made aware of any vulnerability factors or ought to have identified them, such that it should have known to take additional steps to protect Mrs S.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Mrs S. It's very unfortunate Mrs S has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for her. But in the circumstances, having carefully considered everything, I don't find Monzo could have reasonably prevented Mrs S' loss here. Neither do I find there were any other failings on Monzo's part that would lead me to uphold this complaint.

My provisional decision

My provisional decision is that I don't uphold this complaint.

Stephen Wise
Ombudsman