

The complaint

Mrs U complains about the actions of Monzo Ltd when she lost money to a scam.

Mrs U is being supported in bringing her complaint by a legal representative but, for ease of reading, I'll only refer to Mrs U.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In early 2025 Mrs U was looking online for part time jobs. She was then contacted by a merchant (scammer) on a messaging app regarding a job opportunity. Mrs U was told that she needed to complete online tasks to earn a commission. But to do so she needed to set up accounts with the scammer's platform and genuine crypto exchanges. She then started sending money at the scammer's instructions. In total she sent around £24,500 from her Monzo account. Mrs U saw that she was earning commission and was able to make a few withdrawals. But she realised she had been scammed when she was unable to withdraw any further profits from the scammer's platform.

So, Mrs U decided to make a claim to Monzo who said it hadn't done anything wrong so it wouldn't be offering her a refund. Unhappy with that response, Mrs U brought her complaint to this service.

Our Investigator didn't think the complaint should be upheld. She said that Monzo should've intervened here but if it had it wouldn't have likely uncovered the scam.

Mrs U disagreed and asked for an Ombudsman's review. In summary she said Monzo failed to stop the transactions and if it had she would've listened to any warnings it provided.

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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mrs U has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than

not to have happened in the light of the available evidence and the wider surrounding circumstances.

I've firstly considered whether Monzo should've done more to stop all the payments Mrs U made towards this scam. It is common ground that Mrs U authorised the scam payments here. I accept that these were authorised payments even though Mrs U was the victim of a scam. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Mrs U is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, I have looked into what this means for this case and whether Monzo should have done more here to prevent the payments in dispute. I think it's arguable that Monzo could've stopped some of the later payments in the scam here. But I don't think I need to make a finding on an exact payment here because I don't think it would've made a difference. I'll explain why.

I've seen in the messages between Mrs U and the scammer that Mrs U was being supported via the whole payment journey from her account to the genuine crypto exchange and then to the scam platform by the scammer. I understand Mrs U was put under pressure by the scammer. But the messages show that she was listening to everything the scammer said about how to send her money and the excuses that were provided to her on why banks would try to stop her sending her money. And when she received an e-mail from the crypto exchange to explain why she had opened the account, whether she had received assistance from a third-party, if she was the only who had access and where her money was being sent, Mrs U turned to the scammer, sent a copy of the questions and asked for help on how to answer them. She then copied and pasted the answers from the scammer to the crypto exchange.

Mrs U has argued that she was in a different frame of mind when the crypto exchange froze her account and asked her some questions about what she was doing. And if Monzo had intervened around the same time or later on she would've headed a warning. However, there wasn't a long time (around a week) between the crypto exchange asking questions on 23 February 2025 and some of the larger and unusual payments Mrs U made on her Monzo account. So, even if Monzo had provided a warning, I'm not persuaded her frame of mind would've been different having read the scam messages here.

The above persuades me that had Monzo reasonably intervened later in the scam then it's more likely than not Mrs U would've taken the same action and asked for help on how to answer the questions. The scammer would've then given Mrs U similar responses to the one in the chat that Banks were trying to stop their customers accessing their own money and the banks money and that they would mention fraud to make Mrs U feel scared. So, Mrs U was receiving a form of coaching in the chats to prepare her for any warnings that she may receive. She was also happy to ask for help to answer any questions she was being asked and then to use those answers (which she reasonably knew were inaccurate). I also note that the scammer persuaded Mrs U to use another crypto exchange for Peer2Peer (PSP) after Kraken had started asking questions. And Mrs U followed the advice.

As a result, I'm satisfied that had Monzo stopped some of the payments Mrs U was making here it wouldn't have been provided with accurate answers about why she was sending money to the crypto exchange and whether she was making the payments at the request of

a third-party. This would've likely impeded Monzo's ability to try and uncover that Mrs U was falling for a job scam instead of just sending money to an account in her name at a genuine crypto exchange to invest for herself (as she explained to the genuine crypto exchange).

Neither do I agree that Mrs U would've listened to any warnings she may have been provided with by Monzo, given the coaching and reasons the scammer was providing in the chat to ignore such warnings.

So, I don't think it's more likely than not that had Monzo reasonably stopped more of the payments here that it would've uncovered the scam.

Recovery

Monzo reached out to one of the exchanges who confirmed no funds remained. But even though it didn't reach out to the second exchange we know that Mrs U sent her money to genuine crypto exchanges before forwarding it to the scam platform. So, it wouldn't have been possible for Monzo to have recovered her money from the other exchange. Mrs U used her debit card for some of the payments, but a chargeback wouldn't have been successful here as she received the service she paid for on her card (crypto).

So, I don't think I can reasonably say that Monzo treated Mrs U unfairly here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 31 December 2025.

Mark Dobson
Ombudsman