

The complaint

Mrs B complains that Monzo Bank Ltd have failed to refund money she says she lost to a scam.

Mrs B is being supported in making the complaint by a legal representative but, for ease, I'll only refer to Mrs B below.

What happened

The details of this complaint are well known to both parties, so I've only provided a brief overview below.

In early 2025 Mrs B has said she came across a merchant who persuaded her to send a total of around £25,066 across nine payments between 01 February to 06 February 2025 from her Monzo account to a genuine crypto exchange. Mrs B explained she took out two loans to fund a loft conversion but then decided to use the money towards her investment.

Mrs B said she then lost contact with the merchant, so she raised a scam claim with Monzo. Monzo reviewed the claim but didn't offer to refund Mrs B. So, Mrs B brought her complaint to the Financial Ombudsman.

Our Investigator didn't think there was sufficient evidence to show that Mrs B had been scammed here. So, they didn't think Monzo should have to provide a refund.

Mrs B disagreed. She said she had been scammed as per her consistent testimony and that Monzo should've done more to stop the payments and uncover the scam.

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.

To be clear if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Monzo was responsible for Mrs B's loss.

Having done so, I agree with the conclusions reached by our Investigator, and for largely the same reasons.

It isn't in dispute that Mrs B authorised various payments to the merchant. Mrs B says she was told the merchant would publish her book with legitimate and well-known online sellers and collect royalties for her.

In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. Monzo is expected to process authorised payment instructions without undue delay. But Monzo also has obligations to help protect customers from financial harm from

fraud and scams. Those obligations are however predicated on there having been a fraud or scam.

I'm sorry to hear of what's happened to Mrs B, and I can understand entirely why she feels so strongly that this money should be returned to her. But not all cases where individuals have lost money are in fact fraudulent and/or a scam; and from the evidence I've seen, I think that applies in Mrs B's case. I'll explain why.

I've considered Mrs B's testimony, but I'm not satisfied this persuades me that she was more likely than not scammed here. Her testimony isn't sufficiently persuasive and, most importantly, there's no persuasive evidence that she made the payments at the instructions of a third-party. There are no copies of correspondence with a merchant who persuaded her to make the payments and there is insufficient evidence that the payments she made to the crypto exchange were then subsequently sent at the request of a third-party to a wallet outside of her control. This is especially important when Mrs B was making genuine transactions from her Monzo account to the same crypto exchange both before and after the payments she has disputed here.

This is not to say that there was no issue at all between Mrs B and the merchant. But on balance, I haven't found the sufficient evidence that persuades me Mrs B was the victim of a scam.

I don't say any of this to downplay or diminish what Mrs B has been through. She has my sympathy; in that she believes the merchant hasn't met its side of their agreement. But overall, I don't think Monzo has treated Mrs B unfairly by not refunding her the payments.

Recovery

Because Mrs B made her payments by card to a legitimate crypto exchange she received the service she paid for on her card. As a result, there are no possible avenues for Monzo to try and recover her funds via the chargeback process here.

I appreciate this will likely come as a disappointment to Mrs B, and I'm sorry to hear of the situation she's found himself in. However, Monzo wasn't aware of these circumstances at the time of the payments so I can't hold it to a higher standard here. In the circumstances of this complaint, I do not consider it would be fair and reasonable to hold Monzo responsible for her loss.

As a result of the above, I'm not making any further award against Monzo.

My final decision

For the reasons given above, I do not uphold this complaint.

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

Mark Dobson
Ombudsman