

The complaint

Mr W complains that Monzo Bank Ltd won't refund him money he lost in an investment scam.

Mr W is being represented by a professional representative, but for ease of reading I've just referred to Mr W throughout.

What happened

The circumstances surrounding this complaint are well-known to both parties, so I haven't repeated them in detail here. Instead, I've summarised what I consider to be the key points.

Mr W says he saw an advertisement on social media regarding investment in cryptocurrency, which appeared to be endorsed by a well-known person. He filled in a form and was contacted by someone claiming to represent an investment company. He was persuaded to invest. He says he was told he could receive a return of 100% on his investment in three months.

Mr W says he searched the internet for negative reviews and checked the company website but didn't find any negative information. He was also able to set-up and access an account with the investment company, which appeared professional.

When Mr W decided to withdraw some money from his investment account, he was met with delays and told that he would need to transfer more money to his account before he would be able to withdraw it, but each time he sent more money to his investment account, he was told he would need to send even more. Eventually, Mr W realised he had been scammed and reported it to Monzo.

Mr W told us the following payments were made as part of this scam.

Date	Amount	Payment type	Destination
24/01/2025	£10,000	Faster payment	Own cryptocurrency account
20/02/2025	£10,000	Faster payment	Own cryptocurrency account
21/02/2025	£10,000	Faster payment	Own cryptocurrency account
22/02/2025	£10,000	Faster payment	Own cryptocurrency account
23/02/2025	£5,000	Faster payment	Own cryptocurrency account
24/02/2025	£10,000	Faster payment	Own cryptocurrency account
25/02/2025	£10,000	Faster payment	Own cryptocurrency account
26/02/2025	£10,000	Faster payment	Own cryptocurrency account

Mr W considers Monzo should have intervened more often than it did and should have provided more effective warnings. He says Monzo didn't ask about the end payment destination and in general it didn't ask probing questions. Mr W answered most of Monzo's questions accurately and if it had probed further on the first payment, it's likely it would have uncovered the scam and prevented Mr W's losses.

Monzo says the payments were authorised by Mr W and the payments were made between two accounts he controlled. It intervened in the first transaction and blocked the payment before calling Mr W to ask questions about the payment. It asked probing questions and provided suitable warnings and it was persuaded by Mr W's answers that he wasn't falling victim to a scam.

Our investigator considered Mr W's complaint, but she didn't uphold it. She found that Monzo had intervened proportionately on 24 January 2025 and while she would have expected further intervention from Monzo due to the size and frequency of the payments, all of which were identifiably being sent to a cryptocurrency platform, she didn't think further intervention from Monzo would have made a difference. She considered Mr W hadn't answered Monzo's questions accurately when it spoke to him and she didn't think it was likely he would have answered further questions on different occasions any more accurately. She thought this would have prevented Monzo from uncovering the scam.

Mr W didn't accept the investigator's conclusions, so his complaint has been passed to me for an ombudsman's 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.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr W authorised the payments and Monzo made the payments in accordance with Mr W's instructions.

While the payments were made after 7 October 2024, the APP scam reimbursement rules don't apply in this case because Mr W was making payments to another account that he controlled.

But the matter doesn't end there. Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Monzo ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Monzo did make additional checks when Mr W tried to make the first of this series of payments, on 24 January 2025. Monzo blocked the payment and called Mr W to ask further questions about the payment. I've listened to the call. Monzo warned Mr W that the payment looked similar to payments it had seen in investment fraud cases where it turned out that people weren't really investing in anything at all. Monzo described situations where customers are contacted by people posing as investment managers and are persuaded to send money to accounts controlled by scammers. Monzo talked about being contacted on social media, about investments where returns were said to be guaranteed or the returns seemed too good to be true. Monzo mentioned situations where customers are pressured to invest more than they want to and are told how to answer questions posed to them by their banks. This was all relevant to the situation Mr W was in and on balance, I consider Monzo provided warnings that were specific and tailored to the type of scam Mr W was facing. Similar warnings were also provided through in-app messaging.

Mr W was then asked a series of questions by Monzo. He was asked about his investment experience, what research he had undertaken, whether he was being advised by a third-party such as an investment manager or broker and whether he had been told how to

answer Monzo's questions. Mr W told Monzo that he was making the investment by himself and he did have a friend of 25-years' standing who he asked for advice from time to time. He said he hadn't been approached by or received any advice from an investment manager or broker. He indicated that he hadn't heard about the investment through social media.

Some of the answers Mr W gave weren't accurate though. He now says the scammer told him that Monzo would probably contact him about the first payment and that he should answer its questions honestly, but he shouldn't mention that he was receiving financial advice. I consider Monzo asked probing questions but Mr W's inaccurate answers to key questions helped prevent Monzo from uncovering the scam. Monzo warned about scammers posing as investment managers or brokers and persuading customers to move money to them, which they then couldn't withdraw. So, it had provided context to its questions about whether Mr W was being advised and whether he had been coached or told to give it inaccurate information. I'm not persuaded that further questioning or warnings along those lines would have been any more successful.

I agree with the investigator that Monzo ought to have intervened on other occasions. All the payments Mr W made after the initial payment were for significant amounts, taking place daily and all being sent to a cryptocurrency exchange. Given the prevalence of scams involving transfers of money to cryptocurrency exchanges, even through accounts controlled by customers, this would have been an additional risk factor Monzo would have been aware of by early 2025. But I also agree with the investigator that there is little to suggest that Mr W would have been any more receptive to Monzo's warnings or that he would have been more open with it about the involvement of third parties. Monzo had already warned Mr W about scams where customers had difficulty withdrawing their money from investments and were asked to send more money before their initial investment could be released. This is the situation Mr W found himself in from payment two onwards and there seems to have been an element of desperation in paying increasing amounts of money to recover his initial investment. I'm not persuaded that further warnings and questions would have overridden that desire to recover his money.

Like the investigator, I don't consider there was any realistic possibility of Monzo being able to recover Mr W's money, since he says it had been paid from Monzo to his own account with a cryptocurrency exchange and promptly paid away from there to the scammers.

Overall, while I consider Monzo should have done more, for the reasons given above, I'm not persuaded further intervention would have made a difference here and so I don't uphold Mr W's complaint.

My final decision

I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 December 2025.

Greg Barham
Ombudsman