

The complaint

Mrs H has complained that Monzo Bank Ltd (Monzo) is holding her liable for a loan she says she did not knowingly take out.

What happened

Mrs H says she fell victim to a scam after expressing an interest in an investment opportunity she saw advertised on the television.

On calling the number shared in the advert, Mrs H says she spoke to someone who sent her a link, and she paid £200 to enrol to the service provided and was told that an investment portfolio would be opened in her name. She says she was then contacted by another person who she believed was a trader.

Mrs H says she trusted the individual with further investments and continued to correspond with them over the phone and WhatsApp with the intention of investing into cryptocurrency. She says she was asked to download the Any Desk app on her phone and computer, which allowed the third-party access to her devices.

Mrs H says she believed she was engaging with a legitimate investment opportunity and it was suggested that she open an account with Monzo because it accepted cryptocurrency investments, which she subsequently opened on 5 August 2024.

She says she believed she was to receive returns from her investment in December 2024. But when this did not happen and her attempts to contact the trader and the supposed investment company went unanswered, she realised she had been scammed.

Mrs H says she contacted her main bank account provider – where the loan funds had been deposited - who started an investigation into the matter. She says it referred her to Action Fraud and told her to contact the loan provider so that it may assist her.

Mrs H raised concerns with Monzo after realising what had happened and that she had been scammed.

After looking into the matter, Monzo held Mrs H liable for the loan.

Monzo explains the application for £15,000 was made on 22 October 2024, using Mrs H's personal information, and the funds were paid into her bank account.

Mrs H has brought her complaint against Monzo to this service along with other complaints relating to loan applications made with other providers around the same time, that she also says she had no knowledge of. Mrs H states that all the applications were part of the same scam.

Our investigator considered Mrs H's complaint against Monzo but did not uphold it. She was of the view that Mrs H had knowledge of the loan application deposited into her bank account.

As Mrs H remained unhappy with the outcome, she asked that an ombudsman consider her complaint.

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.

After reviewing the evidence provided by Monzo and Mrs H, I have reached the same overall conclusion as our investigator. In that I do not think Monzo has acted unfairly in holding Mrs H liable for the loan.

I realise this will be upsetting for Mrs H to hear. I acknowledge that Mrs H has been through a difficult experience and that it has been distressing for her to realise she has been a victim to a scam and she has my sympathy. I hope she is getting the support she needs. But it is worth keeping in mind that it's ultimately the scammers who are primarily responsible for the loss Mrs H has experienced. And in this case, I can only consider what Mrs H and Monzo are responsible for.

On considering this matter, my focus has been on the actions of Monzo and whether it acted reasonably towards Mrs H. In doing so, I've carefully reviewed all the evidence presented, to get an understanding of what happened so I can understand the sequence of events fully.

I've also considered Mrs H's very detailed response to our investigators view and I'm very aware that I've summarised this complaint in far less detail than Mrs H has. But I'd like to assure Mrs H, I've focussed on what I think are the key issues here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact the decision I'm making. Our rules allow me to do this.

Consumer credit legislation makes clear a customer cannot be held liable if a loan was taken out by an unauthorised party. So, here I need to consider whether Mrs H applied for the loan herself or authorised someone else to do so.

Mrs H's position is that she did not know the scammer was taking out a loan in her name. However, she says that she downloaded AnyDesk on to her devices on the scammer's instruction.

I can fully accept Mrs H didn't intend to be part of a scam, and the question here is not whether a scam took place - I am satisfied it did – it's whether Monzo had any reason to know that Mrs H had not authorised the loan application.

On reviewing what Monzo has evidenced and having listened to the call it had with Mrs H, along with other calls made on the other complaints Mrs H has brought to this service, it seems like there are discrepancies with what Mrs H has claimed.

I say this because she states that the scammer told her that the loan would be repaid using proceeds from her investment, and she was under the impression that the loan would be taken care of. Which contradicts what Mrs H has said about the loan being taken without her knowledge or consent and then transferred into her bank account. It suggests to me that she was likely aware the loan was applied for and approved in her name and then deposited into her account.

I have listened to several calls that took place between Mrs H and Monzo which have provided an insight into Mrs H's awareness of the possibility of being scammed, and what intentions she had.

I particularly note a call that Mrs H had with Monzo on 4 September 2024, over a month prior to the loan application being made, where there was detailed conversation relating to the strong possibility of Mrs H being victim to a scam, and I have considered the extent to which Monzo intervened on a transfer of a large sum of money, that Mrs H had requested, and the information that was shared. Specifically, I note Monzo asked further questions to determine why Mrs H was transferring the money away and what she intended to do with it, and it asked her whether she had been asked to download AnyDesk or any other form of software onto her devices - to which she responded no.

During the call, Mrs H mentioned that she was looking to invest into cryptocurrency and that a trader was assisting her. Monzo then told Mrs H that it strongly believed she was being scammed and it went on to warn Mrs H. It detailed that scammers commonly use remote access software, such as AnyDesk, to gain access to devices and frequently persuade victims to take out loans to fund fake investments - the exact scenario described here - and it told her to take action to block the scammer, so the scammer was unable to communicate with her any further. It also explained it would be unable to assist her once money had left her account. Monzo recommended that Mrs H reach out to her family for support and did not fulfil the transfer request.

Given, the warning presented by Monzo, I think this should have reasonably raised red flags for Mrs H and put her on notice.

Monzo has also presented evidence to show the loan application was made using Mrs H's registered mobile Apple device, the same device that was used to make legitimate transactions on Mrs H's Monzo account, with the same IP address - that also corresponds with previous transactions.

As AnyDesk only allows for screen sharing from an Apple device, given the evidence provided, remote access to Mrs H's phone would not have been established here as believed.

The loan application also required the completion of Secure Customer Authentication (SCA), which is a process that needs a further verification step completed in Monzo's app. Here I can see Monzo provided further information relating to the loan agreement, and Mrs H's device was used to complete this final authentication step – which required Mrs H to input her specific Monzo four-digit PIN. On that basis, I'm persuaded that Mrs H either made the application for the loan herself or consented for someone else to do so on her behalf using her mobile device.

Mrs H mentions she shouldn't be held liable for the loan, in the sense that she did not sign any loan agreement with Monzo. With the benefit of hindsight and realising that she's been the victim of an elaborate scam, I can understand why Mrs H thinks that. But the issue here is that at the time of the application, as far as Monzo was concerned, it was a legitimate application where the loan was paid into her genuine bank account.

Given everything presented, I do not think Monzo would have been alerted to anything to suggest that the loan was applied for because of a scam. I think Monzo acted in good faith, based on the information provided when approving the application. Her correct details were provided, the funds were paid to her genuine bank account, a direct debit mandate was set up, and the application passed all the checks. So, I'm not persuaded there was cause for Monzo to suspect anything untoward.

Even if I were to accept that Mrs H might not have physically submitted the loan application herself, according to the evidence presented, I remain satisfied she authorised someone to do so on her behalf. So, it would be fair and reasonable for Monzo to hold her responsible. I also think that Monzo's previous call with Mrs H and the warning that was provided, should have provided her with an awareness of the possibility of being scammed and reason to question everything. And it's clear, that instead she allowed the transfer of the loan funds, once received into her account, into the investment for her benefit – albeit later realising it wasn't a legitimate investment.

As I can't fairly hold Monzo responsible, I can't reasonably tell them to write off the loan in these circumstances.

Finally, I appreciate what Mrs H has mentioned about other loan providers having reimbursed her for loans taken out in her name as part of this matter, and I am glad to hear Mrs H has achieved some resolutions to her claims. But I want to clarify that this does not influence my decision here. All cases are considered by this service based on their own merits and require consideration of all the facts presented by all parties involved. Here I have considered what I think is fair and reasonable based on all the evidence presented.

I recognise this will be deeply disappointing for Mrs H, and I truly am sorry for the distress she has experienced. I fully appreciate Mrs H has suffered both emotionally and financially and I want to assure her that my decision is not made lightly.

I strongly encourage Monzo to work compassionately with Mrs H to agree an affordable, repayment plan.

My final decision

For the reasons I've explained, my final decision is I do not uphold Mrs H's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 23 March 2026.

Sukhdeep Judge
Ombudsman