

The complaint

Miss O 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.

What happened

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around April 2024, Miss O saw an advert online about an investment opportunity. She expressed an interest and was then contacted by somebody to discuss the investment in more detail. Believing everything to be genuine, Miss O decided to invest, but unknown to her at the time, she had been contacted by fraudsters.

As part of the scam, as well as using accounts she already held, Miss O was instructed by the fraudsters to open an account with Monzo. The scam saw Miss O moving money between accounts she held with other banking providers to facilitate payments and making faster payments to a cryptocurrency exchange account she had opened. Her payments were then converted into cryptocurrency and subsequently transferred into accounts that were controlled by the fraudsters.

Between 20 May 2024 and 5 August 2024 Miss O made several payments from her Monzo account, totalling over £50,000. A breakdown of these payments is listed below:

	Date	Amount
1	20 May 2024	£1,000.00
2	21 May 2024	£1,000.00
3	2 July 2024	£9,879.00
4	5 July 2024	£9,937.00
5	9 July 2024	£9,986.00
6	2 August 2024	£9,998.00
7	5 August 2024	£8,999.00

Miss O initially tried to make a payment in April 2024, but this payment was stopped by Monzo. It spoke to Miss O, and it advised her it had concerns that this was a scam, it recommended to Miss O that she block contact with the fraudsters.

However, over the coming weeks and months Miss O continued to move money into her Monzo account, from her other accounts, and from there moved money that ultimately ended up in the control of the fraudsters.

The scam came to light in October 2024, when Monzo stopped a further payment that Miss O was attempting to make. Miss O has said the warning she received in October 2024 rang alarm bells.

Miss O raised the matter with Monzo, but it didn't uphold her complaint.

Unhappy with Monzo's response, Miss O brought her complaint to this service. One of our Investigators looked into things but didn't think the complaint should be upheld. In summary, although our Investigator thought Monzo could have provided Miss O with a further warning, at the point she was making payment three in the table above, she didn't think this would have made a difference. She said this because she thought it most likely that Miss O would still have continued to make the payments, given how Miss O had acted previously in moving past a warning Monzo had given her in April.

Miss O didn't agree with our Investigator's view. In summary, she didn't think Monzo's intervention had gone far enough.

As agreement couldn't be reached the complaint has been passed to me for a 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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter 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 point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought about everything carefully, I don't think Monzo is responsible for refunding the money Miss O sadly lost. I'm sorry to hear that Miss O 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 Miss O made payments for the purchase of cryptocurrency, which resulted in cryptocurrency being paid (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 Miss O 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 Miss O 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 in a payment(s) against not holding up or delaying its customer's requests. I'm also mindful here that Miss O'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.

I have seen that Monzo did have its own suspicions and intervened on a payment that Miss O attempted to make in April 2024. It stopped the payment and spoke to Miss O. At that time Miss O explained to Monzo that the payment was for an investment opportunity. Monzo told Miss O at the time that it had concerns about the payment she was attempting and provided her details of how investment scams typically play out. This payment wasn't processed, but the following month, despite the warning Monzo had given, Miss O decided to proceed with making other payments.

I agree with our Investigator, in that I think it would have been reasonable for Monzo to have intervened again at the time Miss O was making the third payment. The value of this payment represented a significant uplift in value, and the payments were identifiably going towards cryptocurrency. Albeit, in the circumstances of this case, I do acknowledge that Miss O had told Monzo, when opening the account, that she intended to use it for trading. But, on balance, I think 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 Miss O 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.

I'm persuaded that a proportionate response in such circumstances would have been for Monzo to have established some further context from Miss O around the purpose of the payment and to have provided a tailored warning around the scam risk that it identified. But I'm not persuaded such an intervention would, more likely than not, have made a difference.

I say that as Monzo, in April 2024, had told Miss O that it had concerns that she may be falling victim to a scam and had given her warnings about how investment scams typically work. I'm persuaded that Miss O ought reasonably to have identified many of the hallmarks of what Monzo told her, with her own experiences, such as investments being promoted online by celebrities, being asked to move cryptocurrency into a wallet not in their control, and the promise of high returns. But Miss O, in making later payments, chose to move past this warning.

I'm also mindful that, from the evidence I've seen, Miss O had been subjected to social engineering. She was sharing details of the warnings she was being given by her banks with the fraudsters. And I can see that the fraudsters were coaching her, including telling her how she should answer questions posed about the payments she was making. From what I've seen, Miss O followed the fraudster's directions. This is evident with Miss O not only proceeding despite a warning from Monzo but also giving inaccurate information about the purpose of the payments to another of her banking providers when trying to make a transfer.

I'm mindful that the scam did eventually come to light following another intervention by Monzo in October. But when thinking about the third payment in the table above, I'm not persuaded the evidence supports that if Monzo's intervention had gone as far as establishing further details surrounding the payments and to then provide a tailored warning, based on any apparent risk that may present itself, it would have made a difference. I say that as the weight of evidence here suggests that Miss O, at this point, was more trusting of what the fraudsters were telling her and she would most likely have been prepared to follow the fraudster's instructions and moved past any warnings and proceeded with the payments, as she had done previously.

Sadly, it seems to me that Miss O was determined to make the payments and 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. I'm satisfied this 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 Miss O's loss, and I don't think, in the individual circumstances of this case, it would likely have been able to prevent Miss O from making these payments.

I've thought about whether Monzo could have recovered any of the funds Miss O lost when it was made aware of the scam. Monzo did make attempts to recover the money Miss O 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 to cryptocurrency and then been moved onto accounts controlled by the fraudsters.

I'm mindful that Miss O has said she was vulnerable at the time the payments were made. I recognise that Miss O 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 Miss O .

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 Miss O. It's very unfortunate she 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 Miss O'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 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 Miss O to accept or reject my decision before 3 December 2025.

Stephen Wise
Ombudsman