

The complaint

Mr T complains that Monzo Bank Ltd (“Monzo”) won’t refund him the money he lost after he fell victim to an Authorised Push Payment (‘APP’) scam.

Mr T brings his complaint with the assistance of a professional representative, but for ease of reading I will refer to Mr T throughout this decision.

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 again here. But in summary, I understand it to be as follows.

In or around June 2023, Mr T has said he was looking to invest when he was contacted, through a well-known social media platform, about an investment opportunity. The investment involved cryptocurrency trading. The person who had contacted him, told Mr T that he would assist him in making big profits and in return would take some commission from the profits.

Believing everything to be genuine, Mr T proceeded, but unknown to him at the time, he had been contacted by fraudsters. Between 8 June 2023 and 26 January 2024, Mr T made a number of transactions, totalling over £70,000, through his Monzo account. Our Investigator has laid out a detailed table of the transactions in their view, so I won’t repeat that in this decision.

The scam saw Mr T moving money between accounts he held with other banking providers to facilitate the payments and making faster payments and card payments to purchase cryptocurrency through exchange platforms. Once converted into cryptocurrency, the funds were subsequently transferred into accounts that were controlled by the fraudsters. Mr T has said to fund the payments he used savings, took out loans and borrowed money from family and friends.

Mr T realised he’d been scammed when he was unable to withdraw any of the money he had sent and was continuously being asked by the fraudsters to pay more, in the belief that this would enable him to get access to his funds.

Mr T raised this matter with Monzo, but it didn’t uphold his complaint. In summary, it said it didn’t believe it was liable to refund Mr T as Monzo wasn’t the point of loss. Alongside this. It said that it didn’t think Mr T had exercised due diligence when making the payments.

Unhappy with Monzo’s response, Mr T brought his complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, our Investigator said that it seemed Mr T was determined to make these payments with the encouragement of the scammer, and it would’ve been difficult for Monzo to stop him.

Mr T didn’t agree with our Investigator’s view. In summary, he believes that if Monzo had intervened the scam could have been prevented.

As agreement couldn't be reached, the complaint has been passed to me for a final 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.

Having thought about everything carefully, I agree with our Investigator, and I don't think Monzo is responsible for refunding the money Mr T sadly lost. I'm sorry to hear that Mr T has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him.

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.

It isn't in dispute that Mr T authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Monzo is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr T 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 on a payment(s) against not holding up or delaying its customer's requests.

In the individual circumstances of this case, I agree with our Investigator that there came a point when I would reasonably have expected Monzo to have had some concerns about the payments Mr T was making. I think that point was on 16 July 2023, when Monzo reached out to Mr T for the purpose of validating the source of funds into his account. Given by this point, Mr T had made multiple payments, of increasing amounts to recipients that were identifiably related to cryptocurrency, I think Monzo ought reasonably to have used this opportunity to have spoken to Mr T and 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 Mr T the money he 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, and this can often be finely balanced, 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 Mr T around the purpose of the payments and to have provided a tailored warning around the scam risk that it identified, which I think would have been that of a cryptocurrency investment scam.

But I'm not persuaded such an intervention would, more likely than not, have made a difference. As I've said, I can't know for sure what would have happened, and I acknowledge Mr T strongly believes that an intervention would have prevented the scam. However, the evidence I've seen sadly supports that Mr T was determined to make the payments. I say

that as even when Mr T relayed to the fraudsters his own doubt that this was a scam, the fraudster was able to persuade him otherwise. It seems that such was Mr T's hope to be able to withdraw his money, that he moved passed these doubts. I'm also mindful that a family member had also told Mr T about their concerns, which he also moved passed.

As well as this Mr T, when making an attempt to verify things were legitimate with another banking provider, relayed back to the fraudster that the bank had told him that it might be a scam – but he continued to make payments anyway. This suggests to me that Mr T was more swayed towards believing, or at least wanting to believe that this was legitimate, than he was towards acting on his own doubts and the doubts of others.

Alongside this, I'm mindful that Mr T was communicating with the fraudsters when he was having difficulty making payments and seeking their advice and guidance around how to move things forward. I think it's likely that had Mr T been probed around any of the payments and been warned by his bank, he would have relayed this to the fraudsters and sought further guidance, as he had done previously. In doing so, and based on what I've seen, I think the fraudster would, on the balance of probabilities, have convinced him to continue.

Overall, I'm persuaded the weight of evidence supports that Mr T had been subjected to social engineering and such was his belief in what the fraudster was telling him that he was willing to move passed his own doubts, and the concerns of others in his family and of another bank. It follows that if Monzo had intervened, I think it more likely than not Mr T would have been prepared to have moved passed any warnings and proceeded with making the payments.

Overall, with all things considered and given the circumstances, I don't think Monzo can fairly be held responsible for Mr T's loss, and I don't think, in the individual circumstances of this case, it would likely have been able to prevent Mr T from making these payments.

I've thought about whether Monzo could have recovered any of the funds Mr T lost when it was made aware of the scam. Monzo did make attempts to recover the money Mr T had sent – but it was unsuccessful. Sadly, this was not surprising, given the funds had been exchanged into cryptocurrency and then been moved onto accounts controlled by the fraudsters.

Specifically, here, I've also considered whether the chargeback process was an option for Mr T, given some of the payments were made by card. A chargeback is a voluntary scheme run by card scheme providers. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the scheme and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid.

From the evidence I've seen the records show the payments went to genuine cryptocurrency exchange firms. The service provided by the firms would be to convert the money into cryptocurrency. The merchants Mr T paid provided the service asked for, therefore there are no chargeback rights under the scheme - albeit I accept Mr T wouldn't have been aware that he was sadly falling victim to a scam at the time he made the payments. Overall, I don't think Monzo acted unfairly by choosing not to raise chargeback claims on Mr T's behalf.

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 Mr T. It's very unfortunate Mr T 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 him. But in the circumstances, having carefully considered everything, I don't find Monzo could have reasonably prevented Mr T's loss here. Nor 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 Mr T to accept or reject my decision before 12 December 2025.

Stephen Wise
Ombudsman