

The complaint

Mrs F is complaining about Monzo Bank Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs F fell victim to a cruel investment scam after she was contacted by someone promoting a fake cryptocurrency investment scheme. She was told to open a new account with Monzo and she used this to make card payments of £1,200 on 4 March 2025 and £2,000 on 19 March. The payments were sent to a cryptocurrency exchange, from where the cryptocurrency purchased was transferred to the scammers. Mrs F tried to make a further payment of £2,600 on 9 April but this was declined by the bank and her account blocked. The scam was subsequently uncovered and no further payments attempted.

Our investigator didn't recommend the complaint be upheld. She didn't think Monzo had any reason to believe Mrs F was falling victim to a scam before the attempted payment on 9 April. Mrs F didn't accept the investigator's assessment, saying the bank should have been more vigilant and the complaint has now been referred to me for review.

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 done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mrs F authorised these payments. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This

includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mrs F.

The payments

I must take into account that many similar payment instructions Monzo receives will be entirely legitimate. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious. Finally, I also need to consider the bank's responsibility to make payments promptly.

Having considered what Monzo knew about the two payments that were completed at the time, I'm not persuaded it ought to have been particularly concerned about them. While the bank would have known that payments to cryptocurrency carry a higher risk of being associated with fraud, the amounts involved were relatively low and they were spaced out, meaning a pattern of multiple, rapid and increasing payments associated with many known scams hadn't begun to emerge. In the circumstances, I don't think there were sufficient grounds for Monzo to suspect Mrs F was at risk of financial harm from fraud or that it was at fault for processing the payments in line with her instructions.

A third payment to cryptocurrency in a relatively short space of time would have been more concerning and it appears Monzo did identify Mrs F may be falling victim to a scam when she tried to make another payment on 9 April and it took appropriate to ensure the money didn't leave her account.

I want to be clear that it's not my intention to suggest Mrs F is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Monzo and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

As the payments were made by card and to an account in her own name, Mrs F isn't eligible for reimbursement under the industry's reimbursement scheme for authorised push payment (APP) fraud. But I've also looked at whether Monzo could or should have done more to try and recover her losses once it was aware the payments were the result of fraud.

Mrs F transferred funds to a legitimate cryptocurrency account in her own name. From there, she purchased cryptocurrency and moved it to a wallet address of her choosing (albeit on the scammers' instructions). Monzo could only try to recover funds from her own account and it appears all the money had already been moved on. If not, anything that was left would still have been available to her to access.

As the payments outlined above were card payments, I've considered whether Monzo should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.

I'd only expect Monzo to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Firstly, the rules don't normally provide for reimbursement of payments made for investment purposes. But in any event, Mrs F paid a legitimate cryptocurrency exchange and would have received a service that

involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with. Mrs F's disagreement is with the scammers, not the cryptocurrency exchange and it wouldn't have been possible for Monzo to process a chargeback claim against the scammers as she didn't pay them directly.

In the circumstances, I don't think anything Monzo could have done differently would likely have led to these payments being successfully recovered.

In conclusion

I recognise Mrs F has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Monzo acted fairly and reasonably in its dealings with her and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 18 February 2026.

James Biles
Ombudsman