

The complaint

Ms A complains that Monzo Bank Ltd, is refusing to refund the money she lost as the result of a scam.

What happened

The background to this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Ms A says she heard about an investment opportunity from an acquaintance. However from the documentation that has been provided to this service it appears a close family member had made Ms A aware of the opportunity. Ms A says she researched the company on-line and then signed up as a client. The information on the company website and in the documentation it provided to Ms A led her to believe the company was a legitimate FCA regulated investment platform. Information Ms A has provided to this service shows the company was offering 400% returns in four months.

Ms A says the scammers communicated with her via WhatsApp and emails. They seemed highly knowledgeable and professional. I understand Ms A initially made payments from another account, bought cryptocurrency and transferred it on to what she thought was a legitimate investment platform. Ms A was able to withdraw small amounts of profit and this gave her confidence she was dealing with a legitimate company. The scammer then instructed her to open an account with Monzo.

Ms A was instructed to move money from the account she had been using to transfer money to the scammers (via a cryptocurrency account held in her name) to her newly opened Monzo account. From the Monzo account she transferred it on to her cryptocurrency account and then on to the scammers.

Monzo blocked the first payment Ms A attempted to make of £12,000 on 3 March 2025. It did not allow Ms A to make any further payments from her account until it had spoken to her about the transaction. Once it had spoken to Ms A and satisfied itself, based on Ms A's responses, that the transaction was unlikely to be linked to a scam it allowed two payments of £10,000 and £2,000 to be processed later that day. In total Ms A transferred £12,000 from her Monzo account as part of this scam.

Ms A says she became aware she had been scammed when she was told there were scam warnings for the company on the FCA website.

Monzo did not uphold Ms A's complaint. It noted that it had spoken to Ms A and blocked the first payment she had tried to make. It said Ms A had not answered its questions truthfully, so it had been unable to identify that Ms A was falling victim to a scam. Unhappy with Monzo's response, Ms A referred her complaint to this service.

Our investigator said they didn't think Ms A's complaint against Monzo should be upheld. They noted Ms A had misled Monzo when she spoke to it about the purpose of the payment she wanted to make and this had prevented it from uncovering the scam.

Ms A did not accept our investigator's view. She said she felt Monzo was at fault for not questioning her in more detail about the payments she was making. Ms A also provided this service with evidence of a long standing medical condition that made her more vulnerable to falling victim to a scam.

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.

It is not in dispute that Ms A has fallen victim to a cruel scam. What is in dispute is whether Monzo should refund the money Ms A lost to this scam.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules; guidance and standards; codes of practice; and where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Monzo acted fairly and reasonably in its dealings with Ms A when she authorised payments from her account, or whether it could and should have done more before processing the payments.

The first payment of £12,000 on 3 March 2025, triggered Monzo's fraud prevention system, prompting it to intervene.

I am mindful that as Ms A had only just opened her account with Monzo, (it appears she was instructed to do so by the scammers) it had no account history to allow it to form a view of how she operated her account. I therefore think it was right for Monzo to contact Ms A about

this payment.

Monzo has provided a recording of this conversation, and an earlier conversation it had with Ms A, to this service.

During the call Monzo explained to Ms A that the payment she was attempting to make had been flagged by its fraud detection systems. Monzo asked Ms A about the payment in some detail and for information on her investment experience and why she was investing in cryptocurrency. Ms A told it that:

- she was making the payment to invest in a cryptocurrency account under her control;
- no one had asked or pressured her into moving money to this account and she was not being guided or advised by anyone;
- she said she was 'literally doing my own personal investment' and emphasised the investment was intended to be long term, referencing a ten-year time frame, saying this was recommended by Warren Buffett; and
- she had access to the money and was able to withdraw it.

Ms A also expressed a keen interest and experience of investing, referencing diversification of her investments and knowledge of different cryptocurrencies.

Having carefully considered this call, I think Monzo took adequate steps to establish why Ms A was moving money from her Monzo account so soon after it had been credited and to explore whether Ms A might be falling victim to a scam.

I think it's clear from the records available that Ms A did not answer the questions Monzo asked her accurately. Monzo was therefore limited in its ability to spot the fraud Ms A was falling victim to. It rightly identified that the account her money was going to, was linked to cryptocurrency and asked a number of open questions to explore why she was moving money to this account.

Having very carefully considered this, I think Monzo took adequate steps in the call to try to establish whether Ms A might be falling victim to a scam. Ms A was very clear in her conversations with it, both in this call and the earlier call. This indicates to me that Ms A would have told Monzo whatever she felt she needed to say to get the payment released.

I have reached this view as in the records Ms A has provided to this service of her chats with the scammers, it is clear that she knew she was sending her money on to the scammers after she had converted it into cryptocurrency; was being directed by the scammers to mislead her bank and was not intending to invest for the long term. In fact, Ms A questioned the scammers at some length about the 400% return over 4 months and being able to withdraw her profits. In view of this I cannot safely find that Ms A answered Monzo's questions truthfully.

I think that even if Monzo had questioned Ms A in more detail – and as I set out above, I think its questioning was robust – I don't think Ms A would have answered truthfully. I think Ms A was enticed by the promise of a very large return on her investment and was under the spell of the scammers to the extent that she would have told Monzo whatever she thought she needed to say to get it to process the payments.

I am mindful that Monzo did not intervene when Ms A made the second and third payments and they were processed without further intervention. I don't think it acted incorrectly as Ms

A had given a detailed explanation when it spoke to her about why she wanted to invest in cryptocurrency and had confirmed the money was going to an account held in her name and under her control. As the payments were to the same account, I don't think Monzo had any reason to intervene before processing these payments.

I am also mindful that it appears Ms A may not have carried out research into the company she was investing with before making these payments. I note the industry regulator, the Financial Conduct Authority published a warning on 14 February 2025 regarding the company involved, three weeks before Ms A made these payments.

Ms A has provided this service with evidence that she suffers from a long term health condition that made her more vulnerable to falling victim to a scam. I am very sorry to hear about the condition Ms A suffers from. However, I cannot reasonably say that Monzo should have taken this into account as there is nothing to show that Ms A had made Monzo aware of her vulnerability at the time she instructed it to make the payments from her account.

Having carefully considered this matter, I don't think Monzo can reasonably be required to reimburse Ms A for the money she lost to this cruel scam as I don't think it is responsible for the loss Ms A has suffered.

Recovery of funds

I've also looked at whether Monzo took the steps it should have once it was aware that the payments were the result of fraud. Monzo told this service that it was unable to recover the funds as the payments were sent to an account in Ms A's own name.

If there was any money left in this account Ms A would be able to access this money herself and would not need Monzo to recover it for her.

My final decision

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 19 January 2026.

Suzannah Stuart
Ombudsman