

The complaint

Mr L complains that MONZO BANK LIMITED won't refund the money he lost to a scam.

What happened

In July 2025 Mr L was contacted by someone on a messaging app. After exchanging messages for a few days, this person asked Mr L to help them with an issue they were having with their eBay account. They said their account was in debit due to an issue with a sale, and asked Mr L to make a payment to clear the debt. They said they would pay the money back, plus extra, the next day.

Mr L agreed to help, and was given login details for an eBay account. He logged in, and then used his Monzo card details to make a payment for £614.31 to clear the debt on the account. But the individual Mr L had been speaking to then blocked him, and Mr L did not receive his money back or the extra funds he had been promised.

Mr L contacted Monzo to tell it what had happened. Monzo looked at what had happened, but did not agree it was liable for Mr L's loss, it said the matter was a civil dispute rather than a scam. It did though make a payment to him for £25 to recognise that there was a delay in it providing Mr L with its response to his claim. Mr L was unhappy with Monzo's response, so he referred his complaint to our service.

One of our Investigators looked into what had happened, but they did not think that Monzo could reasonably be held liable for Mr L's loss here. They agreed with Mr L that he had been the victim of a scam, but they nonetheless did not think that Monzo could have reasonably prevented the payment from being made or uncovered the scam, or that it could have recovered Mr L's loss. So, they did not recommend that Monzo refund any of Mr L's loss.

Mr L remained unhappy, he maintains that his age, and the nature of the payment, mean that Monzo should have identified that he was at risk of a scam, and so should have stepped in to stop the payment being made. So, as no agreement could be reached, this case has now been passed to me to decide.

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 conclusion as our Investigator, and for the same reasons.

It's not disputed that Mr L authorised the payment that is the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr L is responsible for that payment. That remains the case even though I am satisfied that he was the unfortunate victim of a scam.

Because of this, Mr L is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also 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 victims to scams.

So, I've thought about whether Monzo could have done more to prevent the scam from occurring altogether. Monzo ought to fairly and reasonably be alert to fraud and scams, so I need to consider whether it ought to have intervened to warn Mr L when he tried to make the payment. But considering the value and nature of the payment, in the context of Mr L's account, I don't think there was anything that should have flagged to Monzo that Mr L might be at risk. The payment was, in the context of the payments Monzo sees every day, not so high as to be remarkable. And while it was moderately high in the context of Mr L's usual account usage, he had made relatively high card payments before, and it's not uncommon for people to make such one-off payments. He had also previously made payments both to and from eBay, so it wouldn't have been seen as an unusual or particularly risky payee for him. The payment was also authorised using 3D Secure, so Monzo would have been reassured that it was Mr L making the payment himself.

I appreciate that at the time of the payment Mr L was only 16, but I don't think that means that we could reasonably expect Monzo to have blocked or otherwise intervened in this payment given the circumstances I've set out above.

So, given that I don't consider this transaction was so out of character as to be particularly remarkable or require intervention, I don't think Monzo missed an opportunity to intervene.

Because of this, even though I accept Mr L was the victim of a scam, I don't think Monzo could have reasonably been expected to do anything to prevent his loss, and I'm satisfied its decision not to refund the money he lost to the scam was fair.

I have gone on to consider whether Monzo could have done more to try to recover the money Mr L lost once it was clear that he was the victim of a scam.

Chargeback is the way in which payment settlement disputes are resolved between card issuers and merchants. In certain circumstances the process provides a way for Monzo to ask for a payment Mr L made to be refunded. There is no obligation on a card issuer to raise a chargeback, nor does the raising of one guarantee a refund for the card issuer's customer. But I would consider it good practice for a chargeback to be attempted where the right exists and there is a reasonable prospect of success.

But in this case, the particular circumstances of this payment mean that it does not readily fall into any of the chargeback reasons set out in the relevant chargeback rules. As a result, I don't think there would be any reasonable prospect of success for a chargeback in this case. I therefore don't consider it unreasonable that Monzo did not attempt one.

I appreciate that this will be very disappointing for Mr L, and I can entirely understand why he feels the way he does, but with all I've seen I don't consider that I can fairly say Monzo should be held liable for Mr L's loss or that it could have done more to recover her funds.

I acknowledge that there was some poor service on Monzo's part here, regarding the time it took to provide an outcome to Mr L. But I'm satisfied the £25 Monzo has already paid to Mr L is appropriate compensation in the circumstance, and I won't be asking it to do anything more.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 21 May 2026.

Sophie Mitchell
Ombudsman