

The complaint

Mr M complains that Monzo Bank Ltd ('Monzo') won't refund the money he lost to an investment scam.

He's represented by a firm of solicitors. For simplicity, I'll refer to Mr M throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details.

In summary, Mr M says that, in May 2024, he received a message from an individual ('K'). K presented as a business owner from abroad, involved in the fashion industry, looking to expand his business. Mr M was led to believe K was seeking friendship to help him navigate the UK market. A short time after, Mr M was also put into contact with another individual ('S') claiming to be K's girlfriend. He later discovered he'd connected with scammers.

A relationship started to develop and Mr M was soon persuaded to invest in cryptocurrency. As part of the process, the scammers provided him with a link to set up an account on a 'fake' trading platform ('B'), which appears to have been a clone of a legitimate crypto-exchange. He says things appeared to be going well at first, with his money doubling after a few trades. However, when he later tried to withdraw his funds and 'profits', he was repeatedly pressured into paying more for that to happen.

By the time he realised he'd been scammed, he'd made a series of payments between June and October 2024. These were first for 'investment' and later for 'fees' he was told he had to pay to access his money – which, at one point, he was led to believe had reached £200,000 (and then continued to increase). In total, over £70,000 was sent from his Monzo account to his own accounts with genuine crypto-platforms for the purchase of the cryptocurrency that was sent on and lost to the scam. The money came from savings and borrowing.

A complaint was made to Monzo in December 2024 and later referred to our Service. Our Investigators considered it and didn't uphold it. In brief, they weren't persuaded Monzo could have likely prevented Mr M's losses given Mr M wasn't upfront about what he was involved in when questioned – and that he continued to make payments despite being provided with relevant warnings by both Monzo and his other bank ('L') when they intervened.

As the matter couldn't be resolved informally, it's 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 decided not to uphold it. I realise this will come as a disappointment to Mr M but these are the key reasons for my decision.

Authorisation

It's not in dispute Mr M was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute he authorised all the payments from his Monzo account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, he's presumed liable for his losses in the first instance.

Prevention

There are some situations where I consider that a firm (like Monzo) taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

In this case, I think there was enough about some of the payments in dispute for Monzo to have stepped in on concerns that Mr M might be at a heightened risk of financial harm – considering, for example, some of their values, spending patterns and destination, and the increase in scam trends involving cryptocurrency over the years. But I don't consider it necessary to detail the specific points at which Monzo should have intervened because, on the evidence, I'm not persuaded that proportionate interventions would have likely made a difference to what happened. As referred to by the Investigators, Mr M was questioned and provided with relevant warnings as part of several payment blocks and interventions.

In a call with L, on 2 June 2024, in relation to a blocked payment for £5,000, Mr M was asked for the payment reason. He responded he was investing in cryptocurrency. He was warned of scammers posing as brokers and guiding victims to transfer their money for investment. When asked if anyone had contacted him or told him to move his money for any other reasons, he replied “*no, not at all*”, and that he was investing for himself.

In a call with L, on 8 June 2024, two payments were discussed. With reference to the earlier payment, he confirmed that was to buy cryptocurrency from his own account only he could access. But when asked if he'd received advice from anyone, such as an adviser, broker, or friend, he responded “*not at all*”. When asked if anyone had asked him to download *apps* or click on any links, he again replied “*not at all*”. And when asked about the payment to his Monzo account, he said he'd be using it when travelling abroad. Looking at Mr M's Monzo statements, I can't see that any money was ever used for spending while travelling.

In a call, on 11 June 2024, he told Monzo he was using the money for services ('computer repairs') he'd received for his business. He was asked for evidence in support. Mr M, clearly frustrated by the block, refused that request. Despite significant probing, he maintained that the money was to pay an invoice. When the payment was discussed again two days later, Mr M was warned of common crypto-investment scam scenarios, including investment opportunities offering quick returns, fake 'graphs' simulating profits, and fake logins to sites.

He was warned of scammers looking to build relationships and trust through various communication methods and tricking victims into misleading their bank. Mr M confirmed that wasn't happening to him. While he did then reveal the true payment reason was to buy cryptocurrency in the peer-to-peer market, he continued to maintain no-one was helping or guiding him on his investments. He said he'd taken some 'courses' to understand the basics; no-one else but his family was involved with the decisions; he simply wanted to grow his money; and that he'd been able to withdraw from his crypto-platforms to his bank account.

In another call with L, on 22 June 2024, Mr M was told if he held back information, then he'd risk losing his money. Mr M confirmed he understood. But when asked how long he'd been involved in cryptocurrency, he again replied he had learned about general investing through online 'courses' and had been investing “*by myself*” for about a month. When asked if he'd

been given instructions about what to invest in, he replied “*no, it’s just general information*”. He confirmed he’d not been contacted through calls, emails, or text. And that he’d not been approached about any type of investment. He was warned about crypto-investment scams and social engineering. He was told it’s not true that banks don’t like cryptocurrency. Mr M still maintained he’d not been contacted by anyone and that he wanted the payment sent.

In my view, Mr M was heavily under the scam’s ‘spell’ when these payments were made, to the extent he moved past a number of payment blocks, relevant warnings, and generally provided responses to give the impression that he was cautious, had taken genuine courses to learn about what he was doing, and was investing by himself to grow his money. For me, it’s important that he wasn’t prepared to reveal anything significant about the involvement of third-parties he didn’t know, who had contacted him unexpectedly, and then introduced the ‘investment’.

Even if I were to say Monzo should have done more or intervened more often than it did, I’m not convinced Mr M wouldn’t have continued to find a way around the truth or other ways to send payments if necessary – especially given that Mr M seemingly opened new accounts and used various providers to fund the scam. It’s also significant that, on the available evidence, he seems to have continued contact with at least one of the scammers and was apparently still sending more money, long after the payments from Monzo had stopped.

For all these reasons, and as a matter of causation, I can’t reasonably hold Monzo liable for Mr M’s losses in circumstances where I think it’s unlikely proportionate steps on its part, would have prevented them. And while I’m mindful of Mr M’s comments, in appealing the Investigator’s outcome, that L’s interventions didn’t “*absolve Monzo of its independent duty to protect its customers from financial harm*”, I’m satisfied they too are still relevant when considering if additional steps would likely have made a difference to his losses.

Recovery

There was little Monzo could have done in terms of recovery, given that the payments were made by card and sent to Mr M’s own crypto-accounts. A chargeback claim is unlikely to have been successful given there’s no dispute that the cryptocurrency was provided by the relevant merchants before it was sent on and lost as part of the scam.

My final decision

For the reasons I’ve given, I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 6 February 2026.

Thomas Cardia
Ombudsman