

The complaint

Mrs T has complained about Monzo Bank Ltd not refunding several payments she says she made and lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mrs T fell victim to a job scam after she was contacted by a scammer. She says she was told she would be paid for completing a number of tasks, but she would also have to pay in funds to the task platform periodically, using cryptocurrency via an exchange, to unlock more tasks and receive payment. She sent funds to the scammer this way in May and June 2025. She subsequently realised she had been scammed when she did not receive her expected "earnings".

Our Investigator didn't uphold the complaint as, although he agreed Mrs T had lost her money because of fraud, the payments were not of a level that they should have caused Monzo any concern.

As our Investigator couldn't resolve the matter informally the case 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mrs T has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean she is automatically entitled to recompense by Monzo. It would only be fair for me to tell Monzo to reimburse Mrs T for her loss (or a proportion of it) if: I thought Monzo reasonably ought to have prevented all (or some of) the payments Mrs T made, or Monzo hindered the recovery of the payments Mrs T made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Monzo treated Mrs T fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mrs T's complaint. I know this will come as a disappointment to her and so I will explain below why I've reached the decision I have.

I have kept in mind that Mrs T made the payments herself and the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Mrs T did not intend for her money to ultimately go to a scammer – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make 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.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Monzo that Mrs T might be at a heightened risk of financial harm due to fraud or a scam.

Monzo should have identified when Mrs T's payments were going to a cryptocurrency exchange as the merchant is well-known. However, that doesn't mean the payments should automatically be treated as suspicious; particularly when there are no other concerning factors about the payments. Many banks have made the commercial decision to prevent their customers from using their service to send money to cryptocurrency exchanges. Albeit investing in cryptocurrency is a highly risky endeavour, it is ultimately a legitimate one and so certain banks and Electronic Money Institutions (EMI) do permit payments to cryptocurrency exchanges. No previous experience of using a cryptocurrency exchange would not automatically be seen as a financial vulnerability in isolation of any wider red flags.

Having considered Mrs T's payments I agree with our Investigator's findings. I'm not persuaded that Monzo should have been concerned with them as they would not have appeared to be suspicious or unusual. I say this because the payments were not of such a value, or completed at such a frequency, that I would have expected Monzo to have intervened. Ultimately, the payments she made at this point did not have sufficient common characteristics to suggest Mrs T may be falling victim to a scam.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect Monzo to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I'm very sorry to disappoint Mrs T. However, I don't think Monzo should have prevented her making the payments. So, it wouldn't be reasonable for me to ask them to refund the payments she made.

The Contingent Reimbursement Model Code

Although Monzo has not signed up to the Contingent Reimbursement Model Code, it has agreed to apply the Code. However, the payments Mrs T made from her Monzo account aren't covered by the Code anyway. This is because she made the payments from her Monzo account to her other account and not to another person. Additionally, debit card payments are also not covered. I cannot fairly and reasonably say that Monzo should have to refund payments under the Code when it doesn't apply here.

Recovery

Mrs T didn't make the card payments to the scammer directly, she paid a cryptocurrency exchange. Ultimately, if these funds had not already been transferred to the scammer, they would be in her control to access as and when she chose. The fact that the cryptocurrency was later transferred to the scammer doesn't mean Monzo would have been able to attempt to recover the funds from the scammer directly. Nor would a chargeback have been successful when ultimately the funds reached Mrs T's desired location, the service of exchanging fiat for cryptocurrency occurred before the funds were transferred to the scammer.

Therefore, Monzo could not have done anything further after Mrs T alerted them and so I won't be asking it to do anything further.

My final decision

My final decision is I do not uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 12 March 2026.

Lawrence Keath
Ombudsman