

## **The complaint**

Mr M is unhappy that Monzo Bank Ltd won't refund payments he made because of a cryptocurrency based, investment scam. He says Monzo should have done more to intervene and protect him from financial harm.

## **What happened**

In summary, Mr M says he saw an advertisement on social media in January 2025 for a trading platform, which claimed to offer automated trading with high returns. He contacted them via Telegram and was added to a group chat where he believed he was interacting with other investors. He says he was shown performance statistics and testimonials which later turned out to be false.

Mr M was asked to fund trading activity by making payments from his Monzo account to his own cryptocurrency account with a legitimate exchange. Between February and April 2025, he made a number of debit card payments from his Monzo account to his crypto account, totalling £6,729, that he then sent on to the scammers. He said he was then shown apparent profits on the platform but was unable to withdraw any funds. In April 2025, contact from the platform ceased and the website became inaccessible. Mr M then realised he had been scammed.

Mr M reported the matter to Monzo in June 2025. Monzo declined his fraud claim, explaining that the payments were debit card transactions made to an account in Mr M's own name to a legitimate cryptocurrency exchange, and that it hadn't identified grounds to intervene at the time.

Unhappy, Mr M brought his concerns to our service to investigate. The investigator didn't recommend that Monzo be required to refund the payments. Mr M disagreed, made several points about why he felt Monzo had done something wrong, and asked for an ombudsman's 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.

Having done so, I've reached the same outcome as our investigator for these reasons:

- I think that Mr M was the victim of a cruel scam, and I'm very sorry to read about what he's been through.
- My role here is to decide whether Monzo made any mistakes when Mr M made payments relating to the scam, and if I find this is the case, whether it's fair to hold Monzo responsible for the losses Mr M suffered.
- I have read comments made by Mr M about the Contingent Reimbursement Model, a code that was voluntarily signed by firms. The Payment Service Regulator brought

in reimbursement rules that began on 7 October 2024 and this in effect replaced that voluntary model from that date onwards and do apply to Monzo. But they don't apply to payments that are made between accounts held in the same name, and that are under the customer's control. So, for this reason, I've not considered the application of these rules any further, in relation to Mr M's complaint.

- The starting position in law is that Mr M is responsible for the payments he made. And Monzo has a duty to make the payments he tells it to.
- But, as supported by the terms of the account, that doesn't preclude Monzo from making fraud checks before making a payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably do this in some circumstances.
- I'm mindful that payments involving cryptocurrency can carry an increased risk of fraud. But that doesn't mean every payment to a cryptocurrency exchange should automatically be stopped or queried. Bank must balance detecting fraud with allowing customers to make legitimate payments without undue delay.
- I've carefully considered whether the value, frequency or pattern of Mr M's payments ought to have alerted Monzo to a heightened risk of financial harm at the time they were done.
- The individual payments ranged in value, with the highest single payment being around £1,200. Looking at Mr M's account history, I'm not persuaded these payments appeared so uncharacteristic that Monzo ought to have suspected he was falling victim to a scam. I don't find that the individual values of the scam-related payments were so out of character that Monzo should reasonably have intervened on that basis alone.
- I've also considered the frequency and timing of the payments. While some payments were made on the same day, they were spread over a period of around two months. This doesn't demonstrate the kind of rapid escalation or urgent pattern typically seen in cases at an imminent risk of fraud. I don't think it would have been obvious to Monzo, based on this, that these payments were connected to a scam.
- Mr M said that the overall amount he transferred should have been considered in light of his personal financial circumstances. But Monzo doesn't have full visibility of a customer's intentions or wider financial circumstances when processing day-to-day card payments, and I don't think it would be fair or realistic to expect Monzo to assess anything other than what was apparent at the time of each transaction.
- Mr M has argued that the fact that his payments went to a legitimate cryptocurrency exchange, into an account in his name, shouldn't absolve Monzo of responsibility. I agree with that in principle. But I have needed to assess whether the bank had enough information at the time to identify a heightened risk.
- In Mr M's case, the payments were made on a well-known exchange, into an account in Mr M's name, and there was nothing to show Monzo knew or ought reasonably to have known the funds would be transferred on to scammers, based on what I have already found.
- I've also considered Mr M's comments about his emotional and financial pressure at the time. Again, I am sorry about what he has gone through, but there's nothing to

show Monzo was aware of or should reasonably have been aware of this at the time the payments were made.

- I've also looked at whether Monzo should have done more to try and recover the funds once the scam was reported. The payments were made by debit card, and chargeback is a voluntary scheme governed by a card network and its rules. Chargebacks aren't guaranteed and the rules don't generally cover scams of this nature whereas the merchant has provided the service it advertises.
- In this case, Mr M paid a legitimate exchange and received cryptocurrency in return. So, I don't think there was a reasonable prospect of a successful chargeback, and I can't say Monzo acted unfairly by deciding not to pursue one.
- It follows that I don't consider it remiss that Monzo processed the payments in line with the instructions without completing further checks.
- I do appreciate how disappointing this will be for Mr M, but for the reasons I've explained but I don't think his losses can be attributed to something Monzo did wrong. So, I don't uphold his complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 March 2026.

Mark Richardson  
**Ombudsman**