

## The complaint

Mr B complains Monzo Bank Ltd (“Monzo”) haven’t refunded money he said he lost as the result of a scam.

## What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mr B said he decided to invest in a cryptocurrency investment opportunity which he believed was AI based. Mr B said he diligently researched the credentials of the investment company before deciding to invest. Mr B said he used an app for the investment. He told us the supposed investment company ran events and one such event was advertised as doubling your investment. Mr B also explained the investment was a tier system and the more people you invited you would get a ‘levelling up bonus’.

Mr B said the app was reliable and he believed he could trust it but then withdrawals were delayed, and the app was shutdown, this is why he believes he has been scammed.

These are the payments Mr B made to the scam from his account via a legitimate cryptocurrency exchange:

Payment	Date	Amount
1	5 November 2023	£500
2	17 November 2023	£4,500
3	20 November 2023	£4,000
4	20 November 2023	£6,000

Mr B complained to Monzo, and his complaint wasn’t upheld. Unhappy with Monzo’s response, Mr B raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t uphold it.

As an agreement could not be reached, the complaint 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 sorry to disappoint Mr B further but I’m unable to uphold his complaint, I’ll explain why.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Monzo is expected to process authorised payment instructions without undue delay. But they also have long-standing responsibilities to help protect customers from financial harm from fraud and scams. Those responsibilities are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me

to consider whether Monzo is responsible for the loss Mr B claims to have suffered if, indeed, he has been scammed. I've therefore considered whether Mr B was a victim of a scam.

It's important to see evidence that a customer has been scammed and that, for example, it isn't a case of a failed investment. In this case Mr B told us he was the victim of a cryptocurrency investment scam but hasn't been able to evidence the scam or how it unfolded. For example, he's not been able to provide his cryptocurrency statements and has explained he's been locked out of his account. He also hasn't provided evidence of the scam platform. Mr B's bank statements support that he purchased cryptocurrency, and he's provided screenshots of purchases which seem to correlate with the dates of the purchases he made, however these don't have any of Mr B's identifying details, like his name, email address or phone number. I therefore don't think this is enough to show that he has lost money to a scam.

This is not to say I don't believe Mr B, but I do think it's reasonable for him to provide some evidence to support his version of events about the circumstances of the scam. He has given reasons as to why he can't and I have sympathy with the situation he finds himself in however, in the absence of that evidence I can't say that it would be reasonable for Monzo to be held liable for any of the losses Mr B says he's suffered.

Having said that, I'm not persuaded Monzo could have uncovered the scam or prevented Mr B's losses. I'll explain why.

Monzo intervened on payment 4 and spoke with Mr B via its in-app chat and over the phone. I'm satisfied that Monzo ought to have intervened sooner than this. Due to the value and destination of payments 2 and 3 being a cryptocurrency provider which carries a heightened risk of financial harm from fraud, I think Monzo should have intervened prior to processing these payments. However, I'm not satisfied that an earlier intervention would have made a difference. I'll explain why.

I think human intervention was proportionate to the risk payment 4 presented. I would have expected Monzo to ask open and probing questions to establish the reason for the payment and the circumstances around it, so it could narrow down what, if any, potential scam Mr B may have been falling victim to and provide a tailored warning.

Monzo called Mr B twice regarding payment 4, I've listened to the calls and in summary during the first call Monzo discussed the payment and circumstances around it. Monzo asked Mr B to provide proof that the cryptocurrency account was in his name, which he provided via the in-app chat while on the call. He was asked how long he'd been investing in cryptocurrency and he said years via an account he held elsewhere. Mr B also references using a different trading provider to invest for years and has used Monzo for a month or two. Mr B also confirmed that he opened an account with Monzo because it's cryptocurrency friendly.

When asked if he is taking financial advice from anyone, Mr B says his dad who is a financial advisor. Monzo asked if his dad has informed him that cryptocurrency investments aren't guaranteed or regulated, and Mr B confirms he has. He also confirmed that his dad is well aware of how cryptocurrency works. Mr B has since told us this wasn't accurate, and his dad isn't a financial advisor but rather has investment experience.

Monzo told Mr B it would review things and call him back. In summary, during the second call Monzo gives Mr B some warnings. It also says he may be aware of some of them as his dad is a financial advisor and Mr B confirms this. This was an opportunity to correct Monzo on this point, but Mr B didn't. Monzo gave appropriate warnings regarding cryptocurrency

investments, like legitimate investments won't guarantee returns, how to carry out research into cryptocurrency platforms and the importance of keeping your funds in your name. Monzo also gave some warnings via the in-app chat.

Based on the responses Mr B gave during the calls and via the in-app chat Monzo processed payment 4 in-line with Mr B's instruction to do so.

Mr B told us there was a miscommunication regarding his dad being a financial advisor and he didn't intend to suggest he was a regulated financial professional. I appreciate Mr B may not have meant to mislead Monzo and may not have understood the impact doing so could have. A firm's intervention relies on a customer providing accurate information and where this doesn't happen, as is the case here, it can impact the action a firm takes.

I think Monzo's intervention was proportionate to the risk payment 4 presented and it asked open and probing questions providing relevant warnings.

While I can't be sure what would have happened if Monzo had intervened earlier, I must make my decision on the balance of probabilities of what I think would more likely than not have happened if it did. Based on Mr B's responses and the assurances given during the call regarding payment 4. I think, on balance, if Monzo had intervened sooner I believe Mr B would have engaged in a similar way as he did for payment 4 and that Monzo would have been reassured by his answers and processed the payments.

Additionally, while the checks were being carried out for payment 4, I can see Mr B asked Monzo if he could move his money from his Monzo account. I'm satisfied that this shows Mr B was determined to make the payments and if Monzo hadn't have processed payment 4 he would more likely than not have moved his funds to make the payment. Especially as he had already moved funds from an account he held with a high-street bank to Monzo as that bank wouldn't allow the payments. I believe this shows Mr B was convinced of the legitimacy of the investment opportunity such that he would have endeavoured to make the payment by other means if Monzo hadn't have processed it. This supports that earlier interventions wouldn't have resulted in a different outcome.

### *Recovery*

I've thought about whether there's anything else Monzo could have done to help Mr B — including if it took the steps it should have once Mr B reported that he believed he had been the victim of a scam.

I've seen Monzo attempted to recover Mr B's funds but was unsuccessful. Given Mr B made the payments to an account in his own name with a legitimate cryptocurrency provider, it seems he got the cryptocurrency he paid for, and he said he moved the funds on; in these cases, there isn't any prospect of recovery and so I don't think Monzo could have recovered his funds.

I'm sorry to hear of what's happened to Mr B and the impact it's had on him, and I understand why he feels the money should be refunded, but without evidence a scam took place I can't hold Monzo liable for the losses Mr B says he's suffered.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 December 2025.

Charlotte Mulvihill  
**Ombudsman**