

The complaint

Mrs S complains that Monzo Bank Ltd (Monzo”) failed to refund money that Mrs S lost as part of a scam.

What happened

Mrs S was contacted by a person who said that Mrs S could earn money by working for a company that I will call B. Mrs S was told that she would need to complete sets of online tasks and that she would be paid for this. But once she started, she was told that she had to pay fees to unlock further tasks and release her earnings.

From her Monzo account Mrs S made over 20 payments via peer to peer crypto transactions totalling over £12,000. The funds were then sent to her crypto account and on to B. These transactions took place in March and April 2024.

Mrs S was told she had to pay a large fee to get her earnings and at this point she realised that she had been scammed.

She raised a complaint with Monzo as she thought that it should have prevented her from sending the funds to the scammer and she requested that she be refunded the transactions in question.

One of our senior investigators looked into this matter and they did not uphold this complaint.

Mrs S did not agree with this and therefore her complaint was passed to me to issue 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.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.

In broad terms, the starting position at law is banks are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Monzo should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Monzo sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I think that Monzo should have intervened when Mrs S made two peer to peer payments of £2,000 on 30 March 2024. I think that a proportionate intervention would have been to ask questions about the payments and provide a warning based on the answers provided. Monzo did not intervene at this time.

So, I need to consider what would have happened had Monzo intervened at this point in an appropriate and proportional manner. Taking everything into consideration I don't think that Monzo could have prevented or uncovered the scam with an appropriate intervention.

I say this because, Monzo did intervene later in the scam and two of her other account providers also intervened during the scam. During these interventions they all asked questions about the payments that Mrs S was making. Mrs S gave answers that were not accurate. Some examples of this are that she was making the payments to pay for goods from a social media website, that she was sending funds between accounts for an upcoming holiday and that she was buying furniture. I also note when questioned by one of her other account providers why she had remote access software on her computer she explained that this was because of her work.

Given this, I think it more likely than not that if Monzo had questioned Mrs S further about the payments, she would have likely provided answers designed to allow the payments to go through. Also, I think that this would have prevented Monzo from providing a warning that would have been relevant to the scam that Mrs S was falling for.

And, Mrs S changed how she was sending the payments to try and get around the payments being blocked. So I think that had Monzo prevented the payments entirely, Mrs S would have found a different way to send funds to the scammer.

I note that in Monzo's intervention call mid-way through the scam Mrs S said that she did not want to carry on with a payment that had been blocked as she had been told that the person she was sending funds to was a scammer. But when questioned about why Mrs S said that the payment was related to antique furniture and she had been told that the seller was unreliable. This again prevented Monzo from uncovering the scam or providing an effective warning. It could be argued that as Monzo was aware that Mrs S had attempted to make a payment to a scammer then it should be on notice that Mrs S may be being scammed. But given that it was a one off payment to an individual and Mrs S had explained that all her other payments to other people were legitimate and she had received the goods she was paying for, I think Monzo should only have been concerned if she attempted to pay the same person again. I also can see that Mrs S made much smaller payments after this point and told the scammer she was doing this to avoid payments being stopped.

But even if Monzo should have intervened again I don't think the scam would have been stopped. I say this because Monzo was only required to take proportionate steps to try and protect Mrs S from financial harm. I'm not persuaded she would've shared anything concerning with Monzo had it questioned her more about what she was doing. I can see that Mrs S has highlighted that job scams were well known by this point and therefore Monzo should have been able to uncover and prevent the scam. But given that Mrs S was providing answers to all of her account providers that were not accurate Monzo could not have uncovered the scam regardless of its level of intervention.

So overall, I think that Monzo should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam.

I note Mrs S's comments that she was vulnerable at the time as she was unemployed. But Monzo were not aware of this and even had it been aware, and as a result intervened more, for the same reasons as above I don't think that this would have stopped the scam.

I've also thought about whether Monzo did enough to attempt to recover the money Mrs S lost. In this instance, Monzo follows the principles of the Contingent Reimbursement Model. Monzo is not a signatory to this but the principle of the CRM does not apply as the payments were peer to peer transactions. So I don't think the funds could have been recovered.

I appreciate this will come as a disappointment to Mrs S, and I'm sorry to hear she has been the victim of a scam. However, I'm not persuaded that Monzo can fairly or reasonably be held liable for her loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 8 January 2026.

Charlie Newton
Ombudsman