

## The complaint

Mr O complains that Monzo Bank Ltd have failed to refund money he says he lost to a crypto investment scam.

Mr O is being supported in his complaint by a representative – but for ease, I'll refer to Mr O throughout this decision.

I'm very aware that I've summarised Mr O's complaint and the relevant submissions briefly. No discourtesy is intended by this, but I've focussed on what I think is the heart of the matter here. Therefore, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider to be a fair outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

I should also point out that whilst being mindful of previous decisions made by the Financial Ombudsman, I review each case on its own merits.

## 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 agree with the conclusions reached by our Investigator for the following reasons.

It isn't in dispute that Mr O authorised the disputed card and faster payments he made to legitimate crypto exchanges in his name, and to two individuals for the purchase of crypto. The funds were subsequently transferred on to the scammers. The payments were as follows:

Date	Payment	Payee
12/7/2021	£410	Individual (1)
14/7/2021	£300	Crypto exchange
19/7/2021	£910	Crypto exchange
29/7/2021	£10	Crypto exchange
2/8/2021	£3,772	Crypto exchange
9/8/2021	£3,765	Crypto exchange
9/8/2021	£101.18	Crypto exchange
13/8/2021	£1,000	Crypto exchange
13/8/2021	£1,280	Individual (2)

16/8/2021	£3,800	Crypto exchange
17/8/2021	£3,800	Crypto exchange
17/8/2021	£3,900	Crypto exchange

The payments were requested by Mr O using his legitimate security credentials provided by Monzo. In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. Monzo is expected to process authorised payment instructions without undue delay.

I've considered whether Monzo should've done more to prevent Mr O from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction before processing it. For example, if it was particularly unusual or suspicious.

So, the starting point here is whether the instructions given by Mr O to Monzo (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed. I'll also consider whether and warnings Monzo did provide were proportionate.

When considering this, I've kept in mind that banks process high volumes of transactions each day. And that there is a balance for Monzo to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for banks to carry out additional checks before processing every payment.

Monzo provided Mr O with new beneficiary warnings suggesting he get advice if he is in any doubt about the payee. It also provided him with a general scam warning in relation to the £410 and £10 payments: posing several questions to broadly cover off scam risks. And in relation to the £1,280 payment, Monzo alerted Mr O to the fact that he was paying someone it couldn't verify and that this could be a scam. Mr O acknowledged all Monzo's warnings and continued with his payments.

Mr O doesn't think Monzo went far enough and that it should've contacted him to find out more about the reason for his payments, ideally by way of a human intervention. I've given this careful thought, but I don't think that would've been proportionate in the circumstances of this case. I'll explain why.

This was a newly opened account meaning there was no prior account activity to compare the transactions to. So, I've thought about what Monzo did know about the payments.

Some of these payments were made to legitimate crypto exchanges and I'm aware that scams involving crypto are becoming increasingly prevalent and well known to banks. But, at the time these payments were made, I think it was reasonable for Monzo to consider a range of factors when deciding whether to make further enquiries of its customers about a particular payment.

I appreciate that Mr O has lost a significant amount of money. But this wasn't paid in one large transaction. It was spread over several separate smaller increments which, in my judgement, wouldn't have appeared particularly suspicious to Monzo.

The payments were relatively spread out, having been made over a period of more than a month. And they didn't sequentially increase in value. This isn't usually conducive to the hallmarks of a scam and would, in my opinion, again have made the payments appear to Monzo more like normal account activity.

The payments to the two individuals were of relatively low value and a month apart. The July payments to a crypto exchange were also not of a value I'd expect Monzo to be concerned

about. Nor do think the payments on 9 and 13 August 2021 for £101.18 and £1,000 were indicative of financial harm given their size and velocity.

I accept the payments on 2, 9 and 16 August 2021 for £3,772, £3,765 and £3,800 respectively were higher in value. But they were made over a two-week period and to a beneficiary that, by this time, was an established payee. This, I believe, reduces the likelihood of Mr O being at risk of financial harm.

I do recognise that by the time of the £3,800 payment on 17 August 2021, the velocity of the payments had increased, and that a second payment was made on that day making a total of £7,700 within a short period of time. But these payments were again made to the same existing payee, with no concerns having been expressed by Mr O about the payments made previously (despite Monzo's warnings as outlined above). This, I believe, would've more likely than not have again made these two payments appear in line with Mr O's previous account activity.

It's also of relevance that these payments were made to an account in Mr O's own name with a legitimate crypto exchange. Payments involving the purchase of crypto can, and are mostly, part of a legitimate investment.

In these circumstances and given, as I've said, there is a balance for Monzo to find between questioning transactions and allowing customers to use their account without unreasonable friction, I don't think Monzo would've had sufficient reason to suspect Mr O wasn't making the payments for anything other than legitimate purposes.

It follows that, while there are circumstances where it might be appropriate for Monzo to take additional steps or make additional checks before processing a payment, for the above reasons, I think Monzo was right not to view Mr O's payments with suspicion. And so, I think the warnings Monzo provided to Mr O were a proportionate response to the risk the payments presented, and that it was therefore reasonable for Monzo to process the payments upon receiving Mr O's instruction(s).

I also agree with our Investigator that there was no reasonable prospect of Monzo recovering the lost funds at the point it was alerted to the scam.

I appreciate this will likely come as a disappointment to Mr O, and I'm sorry to hear he has been the victim of a cruel scam and the impact this has had on him. However, in the circumstances of this complaint, I do not consider it would be fair and reasonable to hold Monzo responsible for his loss.

### **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 Mr O to accept or reject my decision **before 12 December 2025**.

Anna Jackson  
**Ombudsman**