

The complaint

Mrs J complains that Monzo Bank Ltd failed to do enough to prevent her falling victim to an investment 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 J says she saw an advert on social media for an investment business, apparently endorsed by the Prime Minister. Mrs J says she set up an account with the business and transferred £200 into it.

Shortly after, she received a call from a representative from the business who told her that her investment was now worth £4,000. Mrs J wanted to withdraw her profit. Mrs J was then told she needed to make additional payments before she could withdraw her money, every time Mrs J made a payment there was another issued that prevented the withdrawal she had requested being processed. Mrs J then became concerned and realised she had fallen victim to a scam. In total Mrs J paid £68,860.29 from her Monzo account to the scammers between 25 May 2025 and 14 June 2025.

Mrs J complained to Monzo, she said it should have done more to stop her falling victim to this scam and she said she wanted it to refund all the money she had lost to the scammers.

Monzo did not uphold Mrs J's complaint. It noted Mrs J had authorised all the payments and the money had been transferred to an account held in her name. It also noted that it had spoken to Mrs J before it processed the first payment she made on 25 May 2025 of £4,800. It said Mrs J had assured it that she was moving the money to a savings account and told Monzo that she was not investing in cryptocurrencies.

Mrs J was not satisfied with Monzo's response and our investigator looked into the complaint. Having done so, they said they didn't think Monzo had acted incorrectly as Mrs J had misled it about why she was moving her money from her Monzo account and whether she was investing in cryptocurrencies.

Mrs J didn't accept our investigator's view. She said, in summary that another online bank had closed her account and refused to transfer her money on. She said she felt Monzo didn't question her in sufficient detail about the payments she wanted to make. Had it done so, and in particular, asked who the 'end recipient' was, she said it would have been able to uncover the scam.

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 have reached the same view as our investigator, and for much the same

reasons. I'll explain why.

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 J 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 J for her loss (or a proportion of it) if: I thought Monzo reasonably ought to have prevented all (or some of) the payments Mrs J made, or Monzo hindered the recovery of the payments Mrs J made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I have kept in mind that Mrs J made the payments herself and the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 she is presumed liable for the loss in the first instance. I appreciate that Mrs J 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 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it 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 J might be at a heightened risk of financial harm due to fraud or a scam.

At the time Mrs J made the transfers she had only recently opened her account with Monzo, so it didn't have an account history to help it establish whether the payments Mrs J was making were in-line with her usual account usage.

As Mrs J wanted to transfer money from her Monzo account only a few days after it had been credited to the account and the receiving bank was linked to cryptocurrency Monzo

spoke to Mrs J before it processed her first payment on 25 May 2025. I think it was right for Monzo to have intervened before processing this payment. I have listened to this call.

In the call Monzo asked Mrs J why she was moving her money on so quickly. Mrs J gave a detailed explanation, outlining that she liked to move her money around between different accounts. Monzo asked why Mrs J was using it as a 'middle bank' and not just moving the money straight from the account she had transferred her money out of, to the account she now wanted to transfer the money to. Mrs J said that it was *'just the way things had worked out'* that she was moving her money on so soon after crediting to her Monzo account. She reiterated that she liked to have her money across a number of different accounts and said she would be moving more money into her Monzo account. She also provided background to her financial situation and that she was moving money around as she was buying a property the following week.

She also provided Monzo with what she knew was a fake statement, for the account she was moving her money to. This fake statement showed the balance on the deposit account she was moving the money to was nearly £500,000. Mrs J also provided Monzo with more false information to 'prove' she had held this account for over a year. Again, Mrs J knew this information to be false.

Monzo explained that the bank Mrs J wanted to transfer her money to was a 'very crypto friendly' bank and that scammers would often try to persuade people to open 'a multitude of accounts' and transfer money from different accounts to make it harder for the banks to spot possible fraud. Monzo also asked Mrs J if she invested in crypto 'at all' and Mrs J replied 'no, no, no', despite knowing this to be untrue.

Monzo then said it would only process the payment once Mrs J had provided evidence to show that she had held the account she was moving the money to, for over a year.

From the transcripts of the chats Mrs J had with the scammers it is clear that Mrs J had been instructed to open this account with Monzo and to mislead it when she spoke to it about the payment she wanted to make. I appreciate that Mrs J feels that Monzo should have asked her about the 'end recipient' and she says that had it done so, the scam would have been uncovered. But having very carefully considered the conversation Mrs J had with Monzo, I am satisfied that, based on the information Mrs J provided, it thought a deposit based account with the bank she was transferring her money to was the 'end recipient'. I don't think Monzo could reasonably have been expected to do more or ask for more evidence than it did before it processed Mrs J's payment.

I am mindful that Mrs J made a total of eight payments from her Monzo account in connection with this scam. I have therefore considered whether Monzo should have intervened again as the amount Mrs J was transferring increased to £9,500 by the second payment on 5 June 2025. Having carefully considered this, given the 'evidence' Mrs J had provided to Monzo I don't think it would have had reason to intervene again. Mrs J had provided evidence to show she was moving her money to a deposit account she had held for over a year and the account had a very large cash balance. So as far as Monzo was aware, based on the evidence supplied by Mrs J, the money was not being transferred on from there, or used to buy cryptocurrencies.

But even if Monzo had intervened again I don't think it would have prevented Mrs J's losses from occurring. This scam was clearly a sophisticated one – with Mrs J being convinced to work with the scammers to mislead Monzo by providing incorrect information and false documentation.

In reaching this view I have taken into account that the information provided to this service

shows that Mrs J was coached by the scammer on what to say to her bank and encouraged to give untruthful answers.

Mrs J knew the explanation was untrue, and even confirmed to the scammer that she had lied. Mrs J told the scammer *'...I had to give a reason why I wasn't. I said that it was my own personal account. That I found a really good savings account with a good interest rate that I wanted to use because it suited my needs.'*

In view of this willingness to repeat what the scammers had told her to say when Mrs J knew it to be untrue, I cannot reasonably find that even if Monzo had intervened before Mrs J made subsequent payments from her Monzo account it would have been able to uncover the scam Mrs J had fallen victim to.

Mrs J no doubt, was being manipulated in order to override her thoughts that the payments she was making seemed dubious. It seems the scammers were suggesting that these payments were a standard procedure in order to release her profits, with the scammer confirming this to be the case.

I do not think an intervention by Monzo would have been successful at breaking the scammer's influence. Additionally, whilst I've not heard the conversations Mrs J had with the scammers, based on the messages she had with them, the apparent explanation for how Mrs J needed to make further payments for a 'reverse withdrawal' and 'enhanced verification' were implausible. I think Mrs J ought reasonably to have questioned the repeated demands to send more money in order to release her profit and to have seen these demands as a red flag.

I also think Mrs J ought reasonably to have recognised the scammers could essentially have continued saying more payments would be required before she could receive her profits – whilst continuing to leave the hope of her receiving a large lump sum a possibility. This too highlights the level of influence the scammer clearly held over her. I do not say this to be critical of Mrs J, I am simply highlighting that due to this I am not persuaded Monzo could have broken such a level of influence with another intervention. Therefore, I do not think Monzo could have prevented her losses.

I don't intend any comments or findings I've made in this decision to downplay or diminish the impact this scam has had on Mrs J and I note she says the worry this matter has caused has impacted her health. I have a great deal of sympathy for Mrs J being the victim of what was clearly a cruel scam that has had a significant impact on her. But I can only compel Monzo to refund Mrs J if it is responsible for the loss incurred. For the reasons explained, having carefully considered the circumstances of this complaint, I can see no basis on which I can fairly say that Monzo should be held liable for the loss Mrs J has sadly suffered.

Recovery

I've also looked at whether Monzo took the steps I would have expected it to take once it was aware that the payments were the result of fraud.

I'm satisfied that had Monzo contacted the receiving bank as soon as it was aware of the fraud this wouldn't have made a difference in the circumstances. This is because, unfortunately, when Mrs J reported the fraud, she had already sent the money from the receiving account to the scammers.

My final decision

For the reasons I have set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 7 January 2026.

Suzannah Stuart
Ombudsman