

The complaint

Mrs A complains that Monzo Bank Ltd failed to reimburse her after she fell victim to a job scam and that it closed her account without explanation.

What happened

Mrs A has explained she was actively looking for employment when she was contacted via instant messaging from an individual offering a job opportunity. In essence, Mrs A was told that by completing tasks, she could earn a daily wage, as well as commission. Unfortunately, unknown to Mrs A at the time, the job opportunity was in fact a scam.

The fraudster told Mrs A that she would need to open a cryptocurrency wallet as well as an account on its online platform. Mrs A was talked through making a refundable payment of £20 from her cryptocurrency account and back, to 'link' her payment details, so that she could receive her wage.

Mrs A began completing the tasks as advised. Mrs A was told she needed to make occasional cryptocurrency payments in order to clear a negative balance on the platform, but was also initially making (what appeared to be) commission, enforcing the apparent legitimacy of the role. However, Mrs A was then asked to make two larger payments on 5 May 2025, the first for £1,053 and the second for £2,413.79.

When making the first of these payments, Monzo provided Mrs A with an on-screen warning regarding cryptocurrency scams. Among other things, this covered that fraudsters may talk about money making opportunities via instant message, that they may convince you to open a cryptocurrency account, ask you to buy cryptocurrency and offer small returns on your first few trades so that you invest more, and that they may also encourage you to lie to your bank.

When Mrs A attempted the second payment, Monzo stopped it and discussed it via telephone with Mrs A. At this point Mrs A realised she'd fallen victim to a scam and a claim was logged.

Monzo considered Mrs A's claim but didn't uphold it. It said that as the funds went to a cryptocurrency wallet in Mrs A's own name, it was not liable for her losses. Monzo also closed Mrs A's account without prior warning.

Mrs A remained unhappy and referred her complaint to our service. An Investigator reviewed the complaint but didn't uphold it. She didn't think that the payment of £1,053 was so out of character for the account that Monzo ought to have intervened prior to processing it. She also thought that Monzo was entitled to close Mrs A's account without notice.

Mrs A disagreed with the investigator's view. To summarise, she has said that:

- She was manipulated under false employment pretenses and acted as a genuine job applicant

- There were indicators here that she was the victim of a scam, but Monzo relied on an on-screen warning, rather than intervening
- Monzo was advised to initiate an indemnity claim but failed to do so, reducing Mrs A's chances of recovering her funds
- Monzo closed her account without explanation, leaving her financially stranded.

As Mrs A disagreed, the complaint has been referred 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.

As a starting point in law, Mrs A is responsible for payments she's instructed Monzo to make. Unfortunately, there's little protection available to her for bank transfer payments, like this was.

Mrs A's payment was made after the Payment Systems Regulator introduced the APP Scam Reimbursement (ASR) rules on 7 October 2024. However, the rules require that funds were transferred to an account controlled by a person other than the consumer. Therefore, as Mrs A's payment went to a cryptocurrency wallet owned and controlled by her, these rules can't be applied.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Taking this into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mrs A.

It isn't in dispute here that Mrs A has fallen victim to a cruel scam, but unfortunately, this alone isn't sufficient for Monzo to become liable for Mrs A's losses caused by the scam. For me to conclude that Monzo has treated Mrs A unfairly by failing to reimburse her, I'd need to determine that it ought to have done more to protect her from financial harm from fraud, when she made the payment of £1,053. While I'm sorry to disappoint Mrs A, I can't conclude that this is the case.

Mrs A had quite recently opened her account with Monzo, and the payments towards the scam were the first activity from the account. Therefore, Monzo had little information about Mrs A's typical spending to rely on when deciding whether payments were out of character for her or not. Mrs A had made some payments to cryptocurrency in the days prior to the payment in dispute, but these were all low value (under £100 each). While the payment of £1,053 was therefore an uplift in payment value, I have to bear in mind that Monzo will process thousands of genuine payments daily that look very similar to this. I don't think the payment value, or the velocity of cryptocurrency payments being made was unusual enough that Monzo ought to have contacted Mrs A by in-app chat or phone to query the payment prior to processing it.

Monzo has provided evidence that a cryptocurrency warning was presented to Mrs A when she made this payment. Having reviewed the warning, I think a number of elements aligned with Mrs A's circumstances, as I've listed above. I think this warning was proportionate to

any foreseeable risk and I therefore don't think Monzo acted unreasonably by processing the payment.

I've therefore gone on to consider whether Monzo did enough to recover Mrs A's funds, once it was made aware of the scam. I understand Mrs A considers Monzo ought to have initiated an indemnity claim – however, Monzo can only reach out to the beneficiary account that immediately received funds from Mrs A's Monzo account. In this case, that would be Mrs A's own cryptocurrency wallet. Therefore, any recovery attempts by Monzo wouldn't have been successful, and in any event, I'm aware Mrs A had already moved funds on from her cryptocurrency wallet to the fraudster by the time the scam was identified. I therefore don't think Monzo could reasonably have done anything more to recover Mrs A's funds.

Lastly, I've considered Mrs A's complaint that her account was closed without explanation, which I can imagine must have been upsetting and worrying for Mrs A.

Monzo has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. Part of these require Monzo to monitor its customers' accounts, and this sometimes means it may carry out a review, the result of which might mean an account is closed.

Before Monzo closes an account, it must do so in a way which complies with the terms and conditions of the account. The terms and conditions of the account, which Monzo and Mrs A had to comply with, say that it could close the account by giving at least two months' notice. And in certain circumstances it can close an account immediately.

Monzo has provided some further details on its decision-making process, which I am treating in confidence due to its commercial sensitivity. However, I've seen nothing in the evidence provided by Monzo to suggest that its decision to close Mrs A's account was unfair, or that it needed to provide notice.

Therefore, while I appreciate that the decision caused financial distress to Mrs A, I find that Monzo did have a legitimate basis for closing her account without notice and not telling her why. So, I don't find it treated her unfairly by closing the account.

I appreciate my decision will come as a disappointment to Mrs A – and I don't wish to downplay or diminish the upsetting situation Mrs A found herself in by falling victim to a scam. But I haven't found that Monzo is the party responsible for her losses, so I'm not asking it to do anything further to put things right.

My final decision

My final decision is I don't uphold Mrs A's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 10 March 2026.

Kirsty Upton
Ombudsman