

The complaint

Mr H is unhappy that Monzo Bank Ltd (“Monzo”) has decided not to refund the money he lost, to what he believed was an Authorised Push Payment (‘APP’) scam. Mr H is also unhappy that Monzo closed his bank account.

What happened

I issued a provisional decision for this complaint on 15 October 2025. In it I set out the background and my proposed findings. I’ve included a copy of the provisional decision at the end of this final decision, in italics. I won’t then repeat all of what was said here.

Both parties have now had an opportunity to respond to the provisional decision. Neither Monzo nor Mr H responded.

As all parties have now had the opportunity to respond, I’m going on to issue my 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 neither Mr H nor Monzo have provided anything new for me to consider, I see no reason to depart from the conclusions I indicated in my provisional decision. I’m sorry to have to disappoint Mr H, but I remain of the view that this complaint shouldn’t be upheld for the reasons set out in my provisional decision.

My final decision

For the reasons given above, and within my provisional decision, my final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 27 November 2025.

Provisional Decision

I’ve considered the relevant information about this complaint.

Having done so, I’ve reached the same outcome as our Investigator, in that I’m minded to not uphold this complaint, however I’ve added a little more detail.

The deadline for both parties to provide any further comments or evidence for me to consider is 29 October 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I don't hear from Mr H, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

The complaint

Mr H is unhappy that Monzo Bank Ltd ("Monzo") has decided not to refund the money he lost, to what he believed was an Authorised Push Payment ('APP') scam. Mr H is also unhappy that Monzo closed his bank account.

What happened

The background to this complaint is well known to all parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around June 2024, Mr H said he met somebody, who I'll refer to as 'S', through a mutual friend. Mr H and S became friends and spent a number of months travelling and sharing accommodation.

During a conversation S told Mr H about how he was making money through betting accounts and asked Mr H if he wanted to be involved. Believing everything to be genuine, between 15 August 2024 and 8 December 2024, Mr H made a number of payments from his Monzo account towards the betting scheme. As well as this, other payments were made for some items that Mr H has said didn't materialise.

However, Mr H has said S didn't use the money for its intended purpose and that S manipulated him into sending money under false pretences. During this time Mr H also made a significant number of payments to S which were genuine and do not form part of this complaint.

Mr H has said he started to become suspicious about S when he was warned about him by others. Mr H raised the matter with Monzo, and it refunded him a payment of £89.75 (which had been made on 28 November 2024), but it declined to refund the remaining payments because it felt that they related to a civil matter. Monzo also confirmed that Mr H's account had been closed in line with the terms and conditions.

Unhappy with Monzo's response, Mr H brought his complaint to this service. One of our Investigators looked into things but didn't think the complaint should be upheld. In summary, it was our Investigator's view that there wasn't sufficient evidence to suggest that S intended to deceive Mr H into making the payments.

Mr H disagreed with our Investigator's view. In summary, he maintained that he'd been the victim of a scam and that there had been others who had lost money in similar circumstances to S. He added that Monzo had failed to detect high risk patterns in the spending on his account. Alongside this, he said Monzo had been inconsistent by refunding one transaction and not others.

As agreement couldn't be reached, the complaint has been passed to me for a decision.

What I've provisionally 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 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 focussed on what I

think is the heart of the matter here which is whether Monzo acted fairly in its answering of Mr H's complaint. 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 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'm mindful that, in his submissions to this service, Mr H has mentioned actions that other banking providers have taken in respect of reimbursing him. That is a decision the other provider has made, however it doesn't automatically follow that this service would consider other payment providers should do the same. The specific circumstances of payments can be different for each payment even if, on the face of it, they appear to be very similar. Here, as I'm required to do, I've looked at the individual circumstances of the transactions Mr H has made from his Monzo account.

I'm very sorry to hear of what's happened to Mr H. I can see he feels strongly about what has happened. But having considered everything, I can see no basis on which I can fairly require Monzo to refund the money Mr H sent. I can appreciate that this outcome is not the one Mr H was hoping for.

I'm mindful that Mr H has said that Monzo has refunded one of the payments he made—a payment for £89.75—and in doing so has acknowledged some wrongdoing. However, it doesn't automatically follow that because Monzo has refunded this payment that it is required to refund Mr H all of the money he sent. Here my decision focuses solely on the payments that Mr H sent that haven't been refunded and whether I'm persuaded Monzo has any liability to refund those.

Is Mr H entitled to a refund under the Contingent Reimbursement Model (CRM Code)?

While not a signatory, Monzo agreed to follow the principles of the CRM Code, the starting principle of which is that a firm should reimburse a customer who has been the victim of an Authorised Push Payment ('APP') scam. This was in force for the first eight payments that Mr H has disputed, payments that were made between 15 August 2024 and 26 September 2024 (our Investigator laid out a detailed table of payments in their view, so I don't intend to replicate that again here in this decision).

The CRM Code covers payments made where "the customer intended to transfer funds to another person but was instead deceived into transferring the funds to a different person; or the customer transferred the funds to another person for what they believed were legitimate purposes but which were in fact fraudulent".

That obligation, however, isn't engaged unless I'm persuaded that Mr H did indeed fall victim to a scam, rather than having a mere private civil dispute with S. To say that he was, it must be shown that the purpose for which Mr H made the payments and the purpose for which the recipient procured them were different—and that this difference arose due to dishonesty or deception on the part of the recipient. The key issue, therefore, is the intentions of the recipient at the time the payments were made. While I can't know what their intentions were, I have to look at the available evidence and attempt to infer what their intentions likely were.

Firstly, I think it's important to set out that the function of this service is to informally resolve disputes against regulated financial businesses as an alternative to the courts. Our service does not have the legal power or capability of tracing payments to their end point, nor the ability to interview parties accused of fraud with the aim of hearing their defence: or lack of. I therefore rely upon limited information when trying to determine—on the balance of probabilities—the intent of S in receiving these payments.

I'm mindful that Mr H has said matters were reported to the police and others have also lost money to S. But I'm not aware of any ongoing criminal investigation. It's worth noting that if there was a live investigation, I acknowledge that this would give the appearance, to the layman, to be proof Mr H has been the victim of fraud—as it infers that the police have taken the matter seriously enough to pursue this course of action. However, the purpose of an investigation is to gather evidence. And that will likely go toward investigating the accused's intent at the time; the result of which may or may not lead to a prosecution. So, it doesn't automatically follow that if there was an investigation it would mean that a fraud has taken place.

In the circumstances of this case, there is quite limited information regarding what the terms of the betting scheme being offered were. But evidence from the receiving banks (the banks to which the payments were made), supports that the payments were received by who was intended to be paid. And while I can't share this information under data protection laws, it doesn't fully support that Mr H's funds weren't used for the agreed purpose.

I'm mindful Mr H has said he didn't receive any repayments from the money he'd sent, despite reassurances from S that they would come good on their business venture. I don't doubt that Mr H has been badly let down. But this isn't sufficient to support a dishonest intent; it's equally possible that S intended returning money to Mr H but was unable to.

I do acknowledge the possibility that Mr H has been the victim of fraud here, but from the information available to me, I cannot reasonably eliminate the possibility that he has instead lost his money to a failed betting scheme, and I'm not satisfied that there is sufficient evidence to safely conclude that a fraud has taken place.

Is Mr H entitled to a refund on the last payment under The Faster Payment Scheme Reimbursement Rules ("Reimbursement Rules")?

The Reimbursement Rules came into force on 7 October 2024 and apply to all UK-based Payment Service Providers (PSPs). They put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances. So, this impacts the final disputed payment, that was made on 8 December 2024.

The Reimbursement Rules set out the requirements for a payment to be covered. Of relevance here:

- It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended);*

An APP scam is further defined as where fraudulent deception was used to obtain the funds where:

- The recipient is not who the Consumer intended to pay, or*
- The payment is not for the purpose the Consumer intended*

For the same reasons previously given in relation to the CRM Code, I'm not satisfied that Mr H's last payment is covered by the Reimbursement Rules. The intended recipient received the funds. And, as I haven't seen evidence that persuades me that there was an intent to defraud Mr H, I'm not satisfied that Mr H is entitled to a refund under the Reimbursement Rules.

Is there any other reason I could ask Monzo to refund Mr H?

I'd expect Monzo to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

In this case, taking into account the size of the payments, the spacing between the payments and the combined value of the payments – I'm not satisfied that Monzo should've identified a potential risk of financial harm from fraud or intervened when Mr H made the payments. On that basis, I can't fairly say Monzo should've prevented Mr H's loss.

Account closure

Monzo is entitled to close an account just as a customer may close an account with it. But 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 Mr H 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 or with less notice.

Having looked at the information given to me by Monzo, I'm persuaded it was entitled to close the account in the way that it has done. Monzo gave Mr H two months' notice of its intention to close his account during which time he was able to access his account and make alternative arrangements.

I know Mr H would like a detailed explanation as to why Monzo acted in the way it did – and this is understandable. But Monzo is under no obligation to do so.

Overall, I'm persuaded Monzo has acted fairly, in line with its obligations and terms of the account, when deciding to close Mr H's account in the way it did. That means I don't think it's done anything wrong.

Mr H has my sympathies, in that I don't doubt that things haven't gone as planned. But here I am considering whether it was fair for Monzo to decline reimbursing him under provisions of the CRM Code and Reimbursement Rules. And based on the evidence available I'm satisfied Monzo acted fairly in declining reimbursement.

My provisional decision

My provisional decision is that I don't uphold this complaint.

Stephen Wise
Ombudsman