

The complaint

Mr S complains that Monzo Bank Ltd won't refund him money he lost in an investment scam.

What happened

The circumstances surrounding this complaint are well known to both parties, so I haven't set them out in detail here. Instead, I've summarised what I consider to be the key points.

Mr S says he met a friend online through social media and they influenced him to invest in what he now believes was a scam.

He made a number of payments to cryptocurrency and investment platforms, from his Monzo account. He used the funds he transferred to these accounts to buy cryptocurrency and make transfers to an investment platform he'd been introduced to by his friend. And from there, he invested in shares.

Initially, he saw the value of his investment increase, before falling significantly. He says he hasn't been able to recover any funds.

Mr S complained to Monzo about following payments he says he made as part of this investment:

Payment	Date	Amount	Payment type	Destination
1	07/04/2025	£787	Card payment	Own account
2	07/05/2025	£100	Faster Payment	Own account
3	15/06/2025	£70	Faster Payment	Own account
4	17/06/2025	£200	Faster Payment	Own account

Mr S says Monzo has refused to refund him and he believes it should, in all the circumstances.

Monzo says Mr S's money wasn't lost from his Monzo account but from his cryptocurrency accounts and it doesn't think it is responsible for his loss. It also didn't consider the payments were unusual, that it should have intervened to block them or ask further questions about them. These were small payments, to legitimate platforms. There was no possibility of raising chargeback claims for the card payments Mr S made because these were payments to staged digital wallets, that were successfully completed, and Mr S was able to receive the payments into his own accounts elsewhere and use these funds. There were no chargeback rights for such payments under the relevant card scheme rules.

Mr S's complaint was considered by one of our investigators, but they didn't uphold his complaint. They were not persuaded that the payments were sufficiently unusual or suspicious that Monzo ought to have intervened to block them or to ask further questions about them.

Mr S didn't accept the investigator's assessment and so his complaint has been passed 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.

I was sorry to read that Mr S has lost his money and about the effect this has had on him, not just in financial terms but also the impact he says it has had on his mental health. I recognise that this has been distressing for Mr S and I sympathise with his situation. But having considered all the circumstances of his complaint, I'm not persuaded that Monzo is at fault or is responsible for Mr S's loss.

The starting position is that a bank such as Monzo is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr S authorised the payments and Monzo made the payments in accordance with Mr S's instructions.

The APP scam reimbursement rules don't apply in this case because Mr S was making payments to other accounts that he controlled, and such payments are not covered by the rules. They also don't apply to debit card payments, such as the payment on 7 April 2025.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I do think Monzo ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. But in the circumstances of Mr S's complaint, I don't consider the payments he made were unusual enough for me to conclude that they should have caused Monzo any concern.

Monzo needs to strike a balance, when determining how to configure its systems to detect unusual activity that might indicate a higher risk of fraud. Many payments are made each day and it would not be reasonable or possible for Monzo to intervene in each one. When it does intervene, I would also expect any interventions to be proportionate to the circumstances of the payment.

The payments Mr S made were all relatively small payments, for different amounts, ranging in value from £70 to £787. There was nothing particularly unusual about the amounts involved, which would have been typical for current accounts of this sort. They also appear to have been in keeping with the sort of payments Mr S made from his account. I say this because Monzo has provided evidence of other transactions for similar amounts made from Mr S's account around the same time. The payments weren't particularly frequent, nor did they follow any particular patterns of known fraudulent activity. For example, the payments didn't increase in value and there were between two days and a month separating each payment. Monzo also says Mr S hadn't made it aware of any vulnerabilities before or at the time the payments were made, which might have caused it to take additional steps to protect him.

Mr S has also mentioned some other payments that he indicates might have been connected with this investment. These six payments were made between 4-19 May 2025 for amounts between £20 - £100. Once again, I consider these payments were not sufficient to have reasonably caused Monzo any concern, particularly due to their small size and being consistent with other payments from this account.

On balance, I consider the payments were not unusual enough that I would have expected Monzo to have intervened to prevent these payments from going ahead, or to have asked questions before making the payments. I consider Monzo wasn't at fault here and it didn't

miss a reasonable opportunity to prevent financial harm to Mr S.

Recovery

I find that there was no reasonable prospect of recovery in all the circumstances here. The payments were made to accounts Mr S controlled and he has provided evidence that he moved the money on promptly. If Monzo had attempted to raise claims against the legitimate platforms Mr S moved his money to, it would have simply found that the money had already been moved and there were no funds left to recover.

There was no prospect of being able to raise a successful chargeback claim for the card payment, as the payment was successful and the money had been received into Mr S's own account with a legitimate platform. The chargeback claim would have had to be raised against the legitimate investment platform but as the payment had been successfully completed and Mr S had then been able to access and use the money he transferred, a claim could not have succeeded.

Overall, while I am sorry to disappoint Mr S, for the reasons given above, I'm not persuaded that Monzo did anything wrong.

My final decision

I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 February 2026.

Greg Barham
Ombudsman