

The complaint

Mrs M complains that Monzo Bank Ltd ("Monzo"), have failed to refund money that she lost as part of an investment scam.

What happened

Mrs M came across three companies that purported to be investment firms, but they were actually scams. I will call these firms C, D and E. This decision is about payments Mrs M made to firm E. Mrs M's complaints that concern payments made to C and D are being dealt with separately.

Mrs M sent over 30 payments to firm E from her Monzo account between October 2023 and January 2024. These payments were a mixture of card payments and transfers to a number of different crypto exchanges and totalled over £10,000.

There were also five payments made to an individual who Mrs M said was an introducer for E. Mrs M says that she sent this person funds, who then forwarded it to her account with C.

My understanding is that E was due to pay Mrs M daily returns into the account she held with it, but after a certain point, she was unable to withdraw the profits that she believed she had made. At this point Mrs M realised she had been scammed.

Mrs M raised a complaint with Monzo, as she believed that it should have stopped her from making the payments in question.

One of our investigators looked into this matter and they did not uphold this complaint. They did not think that Monzo needed to intervene during the scam and that Monzo did not need to refund any of the payments under any of the reimbursement schemes.

Mrs M did not agree with these conclusions. So her complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In broad terms, the starting position is that HSBC is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that HSBC should:

- have been monitoring accounts and any payments made or received 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 firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice HSBC sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this instance, I am not upholding this complaint for a number of reasons.

Firstly, it has not been completely demonstrated which payments relate to which scam firm. But taking into consideration the payments that Mrs M says she made to D, I don't think that the payments were individually large enough, unusual enough (compared to how Mrs M operated her account beforehand) or formed a pattern sufficiently indicative of a scam to have prompted HSBC to intervene. So, I'm not persuaded there was anything that ought reasonably to have triggered HSBC's fraud monitoring systems, or that would have indicated she was in the process of being scammed. I therefore do not consider there to have been any obligation on HSBC to have intervened.

In addition to the above, I am also not satisfied that Mrs M has sufficiently evidenced the extent of the loss that she says she has suffered. I can see that there is evidence of some payments that seem to relate to D, but not for the majority of the payments. There are also a large number of credits from a crypto exchange and it is not clear what exactly these relate to. So even if I did think that HSBC should've intervened, it would be difficult to work out what HSBC should refund.

I've also thought about whether HSBC did enough to attempt to recover the money Mrs M says she lost. In this instance the transfers to the crypto exchanges would not be covered by the Contingent Reimbursement Model ("CRM") as it does not cover payments made to an account in the consumers own name. A chargeback would not have been successful for the card payments to the crypto exchanges as well, as the payments were essentially a means to move funds from Mrs M's account to the account that she held with the crypto exchanges. And this is what happened. It was only when she sent the Crypto on to the scammers did the loss occur. So there would be no grounds to challenge the payments.

So overall I don't think that HSBC could have recovered any of the funds.

I appreciate this will likely come as a disappointment to Mrs M. However, I'm not persuaded that HSBC can fairly or reasonably be held liable for the losses that Mrs M says she experienced in these circumstances.

My final decision

My final decision is that do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 19 December 2025.

Charlie Newton
Ombudsman