DRN-5965900

The complaint

Mr A complains that Monzo Bank Ltd (Monzo) is refusing to refund him the amount he lost as the result of a scam.

Mr A is being represented by a third party. To keep things simple, I will refer to Mr A throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr A says he was contacted via a social media and messaging application by a representative of a company I will call "X". X explained an investment to Mr A as a once in a lifetime opportunity with expected returns of over 20%.

Mr A initially started investing by making a small payment. Mr A was given access to a professional looking investment platform and could see his investment was doing well.

Mr A was then convinced by X to make further larger payments, but when he attempted to withdraw from the investment, he was told he would have to make further payments first and realised he had fallen victim to a scam.

Mr A has disputed the following payments made in relation to the scam from his Monzo account.

Payment	Date	Payee	Payment Method	Amount
1	15 August 2024	Moonpay	Debit Card	£500.00
2	15 August 2024	Moonpay	Debit Card	£500.00
3	17 August 2024	Moonpay	Debit Card	£1,000.00
4	21 August 2024	Moonpay	Debit Card	£1,000.00
5	22 August 2024	Moonpay	Debit Card	£2,000.00
6	29 August 2024	Moonpay	Debit Card	£3,000.00
7	31 August 2024	Moonpay	Debit Card	£3,000.00
8	2 September 2024	Moonpay	Debit Card	£4,000.00
9	4 September 2024	Moonpay	Debit Card	£4,000.00
10	10 September 2024	Moonpay	Debit Card	£3,000.00
11	11 September 2024	Moonpay	Debit Card	£4,000.00
12	12 September 2024	Moonpay	Debit Card	£4,000.00
13	13 September 2024	Moonpay	Debit Card	£4,000.00
14	18 September 2024	Moonpay	Debit Card	£5,000.00
15	23 September 2024	Moonpay	Debit Card	£5,000.00
16	26 September 2024	Moonpay	Debit Card	£6,000.00
17	6 October 2024	Moonpay	Debit Card	£8,000.00
18	12 October 2024	Moonpay	Debit Card	£5,000.00
19	19 October 2024	Moonpay	Debit Card	£7,000.00

20	21 October 2024	Moonpay	Debit Card	£6,000.00
21	10 November 2024	Moonpay	Debit Card	£8,000.00
22	20 November 2024	Remnity	Transfer	£1,001.99

In my provisional decision sent on 28 November 2025 I said:

"It has not been disputed that Mr A has fallen victim to a cruel scam. The evidence provided by both Mr A and Monzo sets out what happened. What is in dispute is whether Monzo should refund the money Mr A lost due to the scam.

Recovering the payments Mr A made

Mr A made payments in relation to the scam by both debit card and transfer. Although the payments were not made directly to X. Instead, the payments were made to a legitimate cryptocurrency exchange and money sending business.

As the payments Mr A made were to a genuine business and it took further steps for those funds to end up in the hands of the scammer any attempts to recover the payments would have no prospects of success.

Should Monzo have reasonably prevented the payments Mr A made?

It has been accepted that Mr A authorised the payments that were made from his account with Monzo, albeit on X's instruction. So, the starting point here is that Mr A is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Monzo should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

The first five payments made in relation to the scam were made to a known cryptocurrency exchange. These payments generally carry a higher risk, but the payee was a legitimate business, and the payments were spread over several days. The values were also not so significant that I have expected Monzo to have had concerns and intervened.

However, when Mr A made payment 6 the payment was being made again to a known cryptocurrency exchange for the more significant value of £3,000. With the increased risk associated with his type of payment I think Monzo should have had concerns that Mr A could be at risk of financial harm, and it should have intervened.

I think an appropriate intervention would have been for Monzo to have provided a tailored written warning to Mr A that covered the key features seen in cryptocurrency investment scams.

The scam Mr A was experiencing included some red flags Monzo would have been aware was common in this type of scam such as contact via social media, promised high returns and further payments being required before a withdrawal could be made.

I haven't seen enough to suggest Mr A would not have taken notice of a warning like that I have outlined above, and as Mr A had no intention of losing his funds I think it's most likely that had such a warning been provided to him when he attempted to make payment 6, his loss could have been prevented from this point.

So, I think Monzo can fairly be held responsible for Mr A's loss from payment 6 onwards. Did Mr A contribute to his loss?

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I do think it would be fair to reduce compensation by 50% on the basis that Mr A should share blame for what happened. Mr A was contacted via a social media and messaging application and promised substantial returns which I think were too good to be true.

Had Mr A taken some time to consider the investment opportunity and sought advice, whether that have been professional advice, or that from friends and family, I think he would likely have also been able to prevent his loss.

Monzo has said that considering Mr A's account balance was kept relatively high, and he had made similar payments to other merchants the risk factor associated to his payments was not significant. Monzo also received confirmation that Mr A's balance on an external account was also significant meaning the payments he was making was not disproportionate to his available funds.

What Monzo has said does not change my decision I still think that by payment 6 Monzo should have intervened for the reasons I have already explained above."

I gave Monzo and Mr A time to respond to my provisional 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.

Monzo agreed with my provisional decision, Mr A didn't respond. Considering no further evidence has been provided for me to consider I see no reason to depart from my provisional decision.

Putting things right

To put things right I require Monzo Bank Ltd to:

- Refund all the payments Mr A made into the scam from and including payment 6 onwards less 50%
- Add 8% simple interest per year to the amount it pays Mr A from the time Mr A made the payments to the time Monzo Bank Ltd provides the refund (less any lawfully deductible tax)

My final decision

I uphold this complaint and require Monzo Bank Ltd to put things right by doing what I've outlined above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr A to accept or reject my decision before 19 January 2026.

Terry Woodham
Ombudsman