

The complaint

Mr K complains that Monzo Bank Ltd ('Monzo') won't refund the money he lost after falling victim to a scam.

What happened

In 2024, Mr K made contact with someone over a messaging app, who I'll refer to as J. J said they had connections to care homes and could provide job opportunities for someone wanting to obtain a work visa.

Mr K's cousin was interested in coming to the UK and asked Mr K to help as she couldn't afford to pay the £8,000 that J was asking for. J said the £8,000 would cover the costs of relocating, the visa application, flights and three months of accommodation. Mr K had to pay £4,000 up front and the remaining £4,000 would be deducted from his cousin's salary over the first 12 months of their employment.

Mr K sent two payments on 19 September 2024 to J, for £1,000 and £2,000. Mr K also sent a payment in October 2024 for £1,000.

Ultimately, Mr K was the victim of a scam and didn't receive the services he'd paid for.

Mr K raised a fraud claim with his bank. Monzo refunded the payment made in October 2024 but declined to refund the other two payments – saying they aren't liable.

Mr K wasn't happy with Monzo's response, so he brought a complaint to our service.

An investigator looked into his complaint but didn't recommend that Monzo refund him. The investigator was satisfied that Monzo could rely on an exception to reimbursement under the Contingent Reimbursement Model Code (CRM Code), as Mr K didn't have a reasonable basis for believing J was legitimate or that J could provide a visa.

Mr K disagreed with the investigator's opinion, saying Monzo could've prevented his loss. As the case couldn't be resolved informally, it was passed to me to review.

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.

Mr K has confirmed he isn't complaining about the payment made in October 2024 (which was refunded), so I won't be addressing that payment in this decision.

In broad terms, the starting position in law is that Monzo are expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's). Here it's not in dispute that Mr K authorised the payments, although he did so not realising he was the victim of a scam.

Monzo have agreed to adhere to the provisions of the CRM Code, which requires firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that an exception applies. In this case Monzo say Mr K made the payment without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.

Based on the evidence, I'm satisfied that Monzo can rely on this exception to reimbursement, and I'll explain why.

There is no evidence that Mr K completed any checks on J. J claimed to be a director of a care home, but I can't see that Mr K contacted the care home to check if that was true. Also, I can't see that Mr K asked for any evidence that J had experience in applying for and obtaining visas for other individuals. In short, Mr K didn't have any evidence to show that J was who he said he was, or that J could provide the services he was offering.

I'm not satisfied that it's reasonable for Mr K to believe J was legitimate, simply by believing everything that J told him.

I do understand that Mr K felt a responsibility for helping his cousin, but I still would've expected him to have completed checks on J.

For these reasons, I'm not satisfied that Mr K had a reasonable basis for believing that J was genuine, or that J could legitimately provide the services he was offering.

On that basis, I'm satisfied that Monzo can rely on an exception to reimbursement.

Mr K says that Monzo should've intervened when the payments were made, and had they, the loss would've been prevented. However, I'm not satisfied that Monzo should've identified an APP scam risk when the payments were made, or that Monzo acted unreasonably in processing Mr K's payment instruction.

I appreciate this was a large sum of money for Mr K, but Monzo has to find a balance between identifying payments which could be fraudulent and then responding appropriately to their concerns - while ensuring minimal disruption to legitimate payments.

The size of these payments individually and collectively wasn't so large, that they should've flagged with Monzo as concerning. Especially as there wasn't a series of payments made in a short period of time, which is common in scams. Making two payments on one day, isn't so unusual and out of character that it warranted intervention, and the third payment wasn't made until a few weeks later.

Also, I can see that Mr K made a regular payment every month of between £600 and £1,000. So, payments of £1,000 and £2,000 weren't significantly out of character compared to his usual account activity.

Based on the evidence, I'm not persuaded that Monzo were required to provide a warning or intervene when the payments were made. So, I'm not satisfied they can fairly be held liable for Mr K's loss.

I'm really sorry that Mr K has lost this money, and I understand how devastating it can be to fall victim to a scam. But I'm not satisfied that I can fairly ask Monzo to refund him.

My final decision

My final decision is that I don't uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 29 December 2025.

Lisa Lowe
Ombudsman