

The complaint

Mrs G is complaining about Monzo Bank Ltd because it declined to refund money she says she lost as a result of fraud. She's also dissatisfied that Monzo closed her account after she reported this.

What happened

Mrs G says she fell victim to an impersonation scam after she was contacted by someone claiming to be from a cryptocurrency exchange she'd been using to make trades and which she'd been trying to contact due to problems she'd had making withdrawals. On 28 July 2025, she says she was manipulated into making five separate payments to an overseas company totalling just over £1,100.

Our investigator didn't recommend the complaint be upheld. He didn't think Monzo should have viewed the payments as suspicious and didn't find it was at fault for processing them according to Mrs G's instructions.

Mrs G didn't accept the investigator's assessment. She says the fact she'd made previous payments to the merchant doesn't mean these weren't fraudulent. She's also said she's vulnerable and hasn't been properly supported and that Monzo's handling of her situation, particularly the decision to close her account, has caused distress and inconvenience.

The complaint has now been referred to me for 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.

Having done so, I've reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

While I understand Mrs G was manipulated into making these payments under false pretences, there doesn't appear to be any dispute that she authorised them. In broad terms, the starting position at law is that a bank is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mrs G.

The payments

I must take into account that many similar payment instructions Monzo receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly.

Having considered what Monzo knew about the payments at the time, I'm not persuaded it ought to have been concerned about them. The amounts involved in each payment was relatively low and the fact the account history appeared to show Mrs G had made payments to the same merchant previously and that hadn't been disputed meant they wouldn't have seemed unusual or out of character. In the circumstances, I don't think there were sufficient grounds for Monzo to think Mrs G was at risk of financial harm from fraud when she made the payments and I can't reasonably say it was at fault for processing them in line with her instructions.

I note Mrs G has said she was in a vulnerable state but there's no evidence Monzo was made aware of this, meaning it couldn't reasonably be expected to take this into account in deciding whether to process the payments.

I want to be clear that it's not my intention to suggest Mrs G is to blame for what happened in any way. She appears to have fallen victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Monzo and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Monzo could or should have done more to try and recover Mrs G's losses once it was made aware the payments were the result of fraud.

The industry's reimbursement scheme for authorised push payment (APP) fraud covers money transfers. As Mrs G made the payments by card she isn't eligible for a refund under this scheme. The correct method for recovering card payments is the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. I'd only expect Monzo to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here due to the method by which the payments were authorised.

With the type of scam Mrs G has described, it's common practice for the scammers to move money to other accounts immediately on receipt to frustrate any attempted recovery. Recovery from overseas accounts is also more complicated as permission is normally required from the recipient account holder and it's unlikely this will be successfully obtained for payments that are part of a scam. In the circumstances, I don't think anything Monzo could have done differently would likely have led to these payments being successfully recovered.

Account closure

I appreciate Mrs G was disappointed by Monzo's decision to close her account, but this was something it was entitled to do with appropriate notice. I understand the account terms and conditions required the bank to give two months' notice of account closure and it appears to have done that in this case.

In conclusion

I'm sorry Mrs G appears to have lost this money and I realise the outcome of this complaint will come as a great disappointment. But, for the reasons I've explained, I think Monzo acted fairly and reasonably in its dealings with her and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 13 January 2026.

James Biles
Ombudsman