

The complaint

Mr N has complained about Monzo Bank Ltd not refunding several payments he says he made and lost to an authorised push payment (APP) investment scam.

Mr N has referred his complaint via a representative, however for ease I will just refer to Mr N throughout.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr N says he fell victim to an investment scam after being informed of the opportunity through an acquaintance, who had come across an advert on social media. This acquaintance showed Mr N their returns and he decided it was a good investment opportunity. He was given access to a professional portal through which he could track his investments and was given a convincing backstory by the scammers, who demonstrated professional knowledge. He states the scammers guided him through how to set up a cryptocurrency wallet via written instructions – and then sent payments through this exchange. He was able to withdraw some of the 'profits', but ultimately discovered it was a scam when he could no longer withdraw any funds and the scammers stopped corresponding with him. In total Mr N sent circa £65,000 between March and July 2025 to the scam.

Mr N then informed Monzo of what had occurred. In response, Monzo upheld Mr N's complaint - finding it could have done more with its intervention during his fourth payment. It awarded him 50% of his losses from this point totalling £21,744.07 and £100 in compensation.

However, Mr N was unhappy with this and referred the complaint to us. Our Investigator reviewed his concerns but did not find Monzo's decision to pay 50% from payment four unreasonable. She found that there was insufficient evidence of a scam – however, thought it would be fair for Monzo to pay 8% simple interest. Monzo accepted this outcome and paid the 8% from the date of loss until the date it refunded its original offer. However, Mr N did not agree. Mr N thought Monzo should have intervened from an earlier payment, on 5 March 2025, where he sent £9,000 – which ought to have alerted Monzo to him potentially falling victim to a scam. So, he requested a decision.

As our Investigator couldn't resolve the matter informally the case 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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't

because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I am sorry to hear that Mr N says he has fallen victim to a scam here. However, just because a scam may have occurred, it does not mean he is automatically entitled to recompense by Monzo. It would only be fair for me to tell Monzo to reimburse Mr N for his loss (or a proportion of it) if: I thought Monzo reasonably ought to have prevented all (or some of) the payments Mr N made, or Monzo hindered the recovery of the payments Mr N made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Monzo treated Mr N fairly and reasonably in its dealings with him, when he made the payments and when he reported the alleged scam, or whether it should have done more than it did. Having done so, I've decided to uphold Mr N's complaint – but only to the extent of confirming that the additional 8% simple interest award, which I understand has been paid to Mr N following our Investigator's view, is reasonable. I consider the refund, including the award for £100 in compensation, completed by Monzo to be fair. I know this will come as a disappointment to Mr N as he was seeking further redress. However, I will explain below why I've reached the decision I have.

I have kept in mind that Mr N made the payments himself and the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance as he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Monzo should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

However, alongside the obligations upon Monzo I would also require sufficient tangible evidence of the scam being complained of. Considering the evidence that is available, I can't fairly conclude that Mr N has lost all the disputed funds as the result of a scam.

I have noted, amongst other things, within the information Mr N has supplied to evidence his loss are details of the scam, the scam platform's links and cryptocurrency statements.

Similarly, I've kept in mind Monzo has also accepted a scam very likely did occur and that it could have done more to have prevented Mr N's loss.

However, this is not sufficient evidence for me to fairly find that a scam has occurred and all the losses claimed should be awarded to Mr N. None of this, singularly or collectively, evidences all of Mr N's claimed losses occurred due to a scam. Just because cryptocurrency statements show transfers, does not automatically mean such transfers were due to a scam. Additionally, the fact Monzo has decided to refund some payments does not mean I have sufficient evidence to reach a finding that not only a scam occurred, but Mr N should receive additional redress.

I do appreciate that Mr N has been unable to supply any of the scam chats because they occurred via the scam platform, which has now been taken down. However, as well as useful evidence to show a scam, scam chat records also allow us to see the level of influence Mr N may have been under and what guidance he may have been given. Without such information I cannot be certain whether an earlier intervention from Monzo would have prevented his losses, or not.

Ultimately, as I have not been supplied with sufficient evidence of a scam, I would not consider awarding any further redress. And so, I agree with the findings of our Investigator that Monzo's offer, including its £100 compensation award, was reasonable – as is the additional 8% simple interest award. So, although I uphold this complaint as well, I do so only to confirm the 8% simple interest awarded by our Investigator was fair in this instance. I am not making any additional award against Monzo.

My final decision

My final decision is that I uphold this complaint against Monzo and find the 8% simple interest award to be fair in this instance. I believe Monzo Bank Ltd has already refunded this prior to this decision being issued – but if for any reason it is yet to do so, it should now arrange payment.

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

Lawrence Keath
Ombudsman