

The complaint

Mrs B complains that Monzo Bank Ltd won't refund the money she lost as a result of a scam. Mrs B is represented in this complaint, but I'll refer to her as it's her complaint.

What happened

There is limited information on what happened as Mrs B didn't retain all her dialogue with the scammer. Also, she hasn't been able to obtain a statement to confirm the payments that were made to the scammers.

In late August 2025, Mrs B was looking for a remote part-time job for her school aged child, and, on social media, she found a well-paid proof-reading and / or script writing job with (fake) overseas Company S.

Mrs B made contact with Person D (a scammer), and her child started work. It's unclear what the salary arrangement was but to receive her child's salary Mrs B had to pay various release fees to Company S.

Between 27 August 2024 and 17 September 2024, she made payments to a number of individuals, from her account with Bank R, totalling £6,119.82. She also appears to have made some payments through her account with Firm P (an online payment system).

Regarding the payments Mrs B made through Bank R and Monzo:

- She appears to have opened a crypto account with Company O (a legitimate crypto exchange).
- The individuals she paid appear to have then credited her Company O crypto account.
- Mrs B appears to have credited a crypto wallet for fake Company S.

After making a payment (through Bank R) on 17 September Mrs B was required to make a further large payment of approximately £4,000 to enable her child to be registered as a freelancer. Although she could see a salary and / or profits, this appears to have convinced Mrs B that she had been scammed, so she reported it to Bank R and the police.

However, Mrs B appears to have subsequently been persuaded the job wasn't a scam and pressured by Person D to make further payments. As she could no longer make payments through Bank R, she was advised to open an account with Monzo. She then made payments 1 to 14 in the following table:

Payment Number	Date	Time	Payment Type	Payee	Amount
1	31 October 2024	10:37	Faster Payment	Person A	£350
2	4 November 2024	22:12	Faster Payment	Person A	£180
3	5 November 2024	22:42	Faster Payment	Person A	£800
4	6 November 2024	19:44	Faster Payment	Person K A	£800
5	7 November 2024	10:06	Faster Payment	Person R	£190
6	11 November 2024	15:59	Faster Payment	Person Z	£2,000
7	12 November 2024	21:53	Faster Payment	Person E	£1,000
8	19 November 2024	21:36	Faster Payment	Person A A	£1,200
9	19 November 2024	22:26	Faster Payment	Person F	£800
10	1 December 2024	18:41	Faster Payment	Person O	£1,200
11	3 December 2024	12:23	Faster Payment	Person Y A	£600
12	3 December 2024	13:36	Faster Payment	Person M A	£800
13	3 December 2024	18:27	Faster Payment	Person U M	£400
14	5 December 2024	21:11	Faster Payment	Person K	£3,100
15	21 January 2025	15:50	Faster Payment	Person N K	£406
Total					£13,826

On 12 December 2024, Mrs B attempted to pay a fee of £,4399. Monzo identified a risk with the beneficiary and intervened and, after probing the payment, told her she was being scammed.

Mrs B accepted this but, in January 2025, Person D persuaded her to pay a fee of £406 to recover her lost funds.

In March 2025, Mrs B complained to Monzo. This is because she believes multiple high-risk payments were made that were inconsistent with her usual account activity and if they had put in place a block and / or human intervention at an earlier point it would've detected the scam and prevented her loss.

Monzo said that they provided education on investment scams and other common scams on their website and Mrs B was only entitled to a refund for payment 15 less a £100 excess. They explained that they wouldn't refund the other 14 payments as the loss occurred after the payments were made.

Mrs B escalated her complaint to our service but our investigator didn't think Monzo were liable for her loss.

As Mrs B remains dissatisfied her complaint has been passed to me to look at.

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, my decision is that I'm not upholding this complaint and I'll explain why. I should first say that:

- Although Mrs B's submissions are limited, I'm persuaded she has been the victim of a cruel scam and I'm very sorry she's lost a significant amount of money here.
- Although I've read and considered everything Mrs B has said, I won't be responding to every point individually. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.
- My role is to independently evaluate the evidence provided by both parties. So, where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to payments 1 to 14. This is because they were peer-to-peer cryptocurrency purchases. In other words, Mrs B appears to have made these payments to individuals who then transferred cryptocurrency to an e-wallet under her control and then, at the request of the scammer, she transferred that cryptocurrency on to another e-wallet that was under the scammer's control. So, the payments are the same as though she were making payments to an account in her own name.

However, payment 15 appears to have been different. So, I think it was fair and reasonable for Monzo to have provided a refund and charge an excess due to them not having any information on her being a vulnerable customer at the time of the transaction.

I'm satisfied that Monzo did make recovery attempts. However, as the funds had already been sent to individuals, then Company O and then to the scammers' crypto account, I don't think Monzo could've been expected to recover them.

- The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.

PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Mrs B made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Monzo should fairly and reasonably:

Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Consumer Duty

Also, from July 2023 Monzo had to comply with the Financial Conduct Authority's (FCA's) Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Monzo was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, look out for signs of vulnerability.

Although I recognise that Mrs B felt vulnerable at the time of the scam, I can't see that she contacted Monzo and that they would've been aware of her having any vulnerability. I appreciate Mrs B thinks Monzo should've contacted her and I cover this point below.

With the above in mind the above, I first looked closely at all the payments to see if Monzo should've recognised Mrs B's payments were unusual and that she was at risk of financial harm.

I noted that Mrs B's Monzo account was opened as a result of the scam, which meant Monzo didn't have any account history with which to compare any transactions she was making. However, they did have information from Mrs B that the primary use of the account included paying bills, transfers from non-owned accounts and international transfers. So, although Monzo wouldn't have known what normal account usage looked like they wouldn't have been surprised to have seen payments going to individuals. And they would've been relying on generic indicators of fraud risk when the payments were made.

I'm not persuaded that there were risk indicators to warrant the strongest type of intervention – a human intervention. This is because:

- Monzo wouldn't have known the payments were going to a crypto exchange and were therefore high risk.
- Although I appreciate the amounts were large to Mrs B, they were all for relatively low amounts.

- There isn't any obvious scam pattern such as a high velocity of same day payments or incremental increases to payments.
- Monzo process thousands of payments and, as mentioned above, they have to strike a balance between intervening in payments to try and prevent fraud and/or financial harm and unnecessarily inconveniencing or delaying legitimate transactions.

However, at payment number 7 and 14, I would've expected to have seen dynamic automated warnings. This would be an enquiry about the payment purpose and issuing of a relevant written scam warning. This is because the risk level was increasing as:

- For payment 7, Mrs B had, in the space of two weeks, paid four different individuals £4,320. And the funds came from another account which could possibly indicate multi-stage fraud.
- For payment 14, which occurred approximately three weeks after payment 7, Mrs B had, in the space of three days, paid four different individuals £4,900. And the funds came from another account which could possibly indicate multi-stage fraud.

I can't see that Monzo did this analysis, considered implementing such a warning at these two payment points or have provided sufficient evidence to persuade me they intervened or that the payment pattern wasn't unusual, and it wasn't proportionate for them to intervene. If a bank doesn't question payments that might be at risk, then it can't fulfil its duty to protect customers. I'm not saying that means it must check every payment out of its customers' accounts. But here, considering the individual circumstances of this case, I believe it ought to have done more to enquire about what Mrs B was doing and warn her about scams.

I then considered whether such interventions would've unravelled the scam or stopped Mrs B making the payment / subsequent payments.

Although Mrs B hasn't provided the full dialogue she had with the scammer, she refers to coaching and mentions that she was told to say she was paying friends and family. Also, she told Bank R that she couldn't believe she had fallen for the scam and she would contact the police. Having listened to a recording of her conversation with a Bank R fraud and scam agent, I found that Mrs B was convinced she had been scammed and was castigating herself for making the payments.

I recognise scammers are very clever and cunning and their tactics led Mrs B to believe the money her child had earned and she had borrowed was sitting in an account awaiting collection. So, I in no way blame her for being persuaded to make further payments. However, based on her comments and scam recognition, I think it more likely than not that even if Monzo put in place strong dynamic warnings Mrs B would've given an incorrect reason and / or chosen not to take notice of general scam warnings.

I also noted that when Monzo did intervene (due to a payee alert) and she had more information on a specific scam (job scam) the agent advised her that the scammer would likely contact her again and told her not to liaise with them or make any more payments. But Mrs B felt compelled to make a further payment. Considering that this was after she had twice accepted that she had been scammed and said she would never again make payments to Company S after reporting the scam to Bank R, I don't think any type of intervention from Monzo would've prevented her from making any of the payments 1 to 14.

So, having considered the above and all the information on file, although I'm genuinely very sorry to hear about Mrs B's loss and experience to these cruel scammers, I don't think it would be fair and reasonable to require Monzo to provide her with a refund of her loss.

My final decision

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 3 February 2026.

Paul Douglas
Ombudsman