

The complaint

Ms E complains that Monzo Bank Ltd (Monzo) won't refund the money she's lost as a result of a romance scam.

What happened

The detailed background to this complaint is well known to both parties and the following is a summary of what happened.

In November 2024, Ms E met Person K on a dating app. Both of their profiles were set to the same overseas country (Country C) and after exchanging photos they started to communicate on a cross-platform messaging app.

Soon after meeting, Person K mentioned his investment project in Country C. A few weeks later he told Ms E about a funding issue and asked if she could help. Ms E found him pushy, and she messaged him to end the relationship due to his behaviour.

Ms E explains that, after this break up, Person K subsequently sent her messages that made her feel uncomfortable saying she had emotionally abused him. However, he later apologised and they both agreed they'd made mistakes. After this their relationship developed and Ms E describes feeling a mixture of guilt and infatuation.

Part of the guilt appears to be because she hadn't helped him with his investment project and Person K said he now faced bills and was looking for Ms E to show some goodwill, with a payment of approximately £13,500, to release significant funds.

With Person K talking about a business partnership, marriage and trust, he persuaded Ms E to start making payments to him. In the space of two weeks in January 2025, Ms E made the following four payments from her Monzo bank account:

Payment Number	Date	Payment Method	Payee	Amount
1	10/01/2025	International Payment	Person K	£500.00
2	10/01/2025	International Payment	Person K	£8000.00
3	21/01/2025	International Payment	Person K	£14,224.62
4	22/01/2025	International Payment	Person K	£4541.43
Total				£27,266.05

Ms E became suspicious when Person K requested more money for different reasons. Also, she found his explanations inconsistent which led to her refusing to make any more payments and asking for evidence which wasn't forthcoming.

Realising she'd been scammed, Ms E raised a claim with Monzo and then a complaint as they said they wouldn't be able to provide a refund due to the payments being made internationally.

Ms E brought her complaint to our service and our investigator's view was that Monzo should've intervened on payment 2 and probing questions would've likely stopped her making this and further payments. So, she said Monzo should provide a refund from this point but thought this should be equally split as Ms E could've done more to protect herself.

Ms E agreed but Monzo didn't. Monzo's reasons included:

- The payments '*were in line with how the customer informed us they'd be using the account*'.
- There was a lack of evidence a scam was occurring.
- Ms E led them to believe the money was coming from a family member and going to a legitimate partner.

So, this 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 to partially uphold this complaint, and I'll explain why.

I should first say that:

- Having reviewed Ms E's submissions I'm satisfied that she was the victim of a very cruel romance scam and I'm very sorry to read about the distress that she has experienced.
- In making my findings, I must consider the evidence that is available to me and 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've seen evidence that Monzo did make efforts to recover Ms E's funds. However, they were advised that the transactions were fully processed and no funds remained.
- 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 here. This is because they were all international payments.
- 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 Ms E 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 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, Monzo had to look out for signs of vulnerability.

With the above in mind, I first considered each payment to see if Monzo should've recognised a potential risk of financial harm and put in place interventions to protect Ms E.

Payment 1 - £500.00 on 10 January 2025

I don't think Monzo should've been concerned about this international payment and seen it as unusual. This is because:

- When Ms E opened the account, she said she may send money overseas to Country C.
- She had made some other international payments.
- The amount wasn't particularly high or much higher than other payments she'd made.

Payment 2 - £8,000.00 on 10 January 2025

Although I don't think it would've been suspicious for a consumer to make a second daily payment, as they may want some assurance on the service, I consider that Monzo should've had a concern about this payment. This is because:

- A. The account was only opened a few weeks earlier and wasn't Ms E's main account. Although Monzo knew she was likely to send international payments to Country C, they didn't have any spending history to compare this relatively high payment with.
- B. Also, to fund this payment Ms E made four separate transfers into her account and, although there could be a good reason, multi-stage payments can be an indicator of fraud or a scam.

Payment 3 - £14,224.62 on 21 January 2025

I also think Monzo should've had a concern about this payment, recognised risks and put in place an intervention. This is because:

- The above reason A is applicable, and, in less than two weeks, Ms E was paying the same payee over £24,000.
- To fund this payment Ms E received funds from the same country (Country C) that she was then going to send the money back to, which I think is unusual from time, exchange rate conversion and fee perspectives.
- Two days before this payment Monzo identified a risk when Ms E asked them about increasing her payment limit. I found that:
 - They said *'I just need to check why you've asked us to increase your payment limit. This is to make sure we're keeping you and your account safe. So please can you give me a bit more detail about this?'*
 - And when Ms E mentioned it was for *'partner support'* they asked her to *'Provide us with more clarification and possibly send some evidence for this such as a screenshot regarding payment?'*
- Monzo didn't follow up when Ms E responded to the above *'check'* saying the payment was to her *'partner'* and that:
 - There was *'an agreement'*.
 - *'It was done via calls and meetings'*.
 - *'I will be speaking to my partner's bank tomorrow'*.

Payment 4 - £4,541.43 on 22 January 2025

This payment took Ms E's payments, to the same payee, to over £18,000 in two days and £28,000 in less than two weeks. So, I think this and the above reasons A and B, should've alerted Monzo to Ms E potentially being at risk of financial harm.

Having established that Monzo should've identified risks on payments 2 to 4 and noted that they didn't complete any analysis or put in place any interventions, as they didn't think it was necessary, I then considered what type of intervention should've occurred.

Considering the risk factors, that I've mentioned above for each of these three payments, I think a human intervention was needed to probe what Ms E was doing, provide her with educational information, warnings and to detect whether she was at risk of a fraud or scam.

I then considered what would've likely happened if Monzo had put in place a human intervention starting at payment 2.

I recognise Ms E told Monzo that she was paying her partner, and I therefore wouldn't have expected an agent to question how she met her partner and how long she had known him for. However, I think it more likely than not that a fraud and scam agent trained to probe and detect risks would've noted and followed up on the information they received from her when she increased her payment limit. And, because of what she said, asked her about the nature of the support, what the agreement was and the purpose of her speaking to the bank of her partner.

I haven't seen any evidence that Ms E was coached and, if she had been, I don't think she would've made the earlier comments as these would risked bank probing. So, I think Ms E would've been honest and told an agent that it was to invest in her partner's business and that this would've led to questions about his company (what she knew about it) and the research she had done. And I think it more likely than not that a combination of Ms E's lack of knowledge and her explanation of why she was being asked to support it would've caused an agent to:

- Become concerned that her funds could be at risk.
- Ask more probing questions including how long her partner had been running his business and how well she knew him.

I think it likely at this point Ms E would've mentioned she hadn't known Person K very long and had met him on a dating app and an agent would've then:

- Given educational information about investment scams, bringing them to life through examples including how scammers operate on social media and dating apps and trick victims into giving them their money for fake investments
- Told her it sounded like a scam and provided her with guidance on research (including checks on Person K), paperwork and seeking professional advice.
- Stopped the payment going through.
- Restricted the account so no large payments could go out until Ms E provided them with information on the due diligence she completed.

Considering Ms E already had some reservations, had these actions been put in place, I think it more likely than not that the scam would've unravelled before releasing payment 2 and Ms E wouldn't have made further payments and lost £26,766.05 (payments 2,3 and 4).

So, having established that, on balance of probabilities, a human intervention at payment 2 would've more likely than not uncovered the scam and prevented any further loss, I then looked at:

Contributory negligence

There's a general principle that consumers must take responsibility for their decisions. Although I recognise how clever this cruel scammer was, and in no way blame Ms E for being scammed, I think she should've been more diligent before making the payments. I say this because despite not having known Person K for very long or having met him she followed his requests without either seeking professional advice / support or completing any due diligence on his business.

Putting things right

Having considered all the above, I think both the business and customer are equally at fault here. Monzo should've put in place an intervention at payment 2, which would've likely stopped the scam payments and then led to the scam unravelling, and Ms E should've been more diligent. So, I think it is only fair and reasonable for liability to be shared and my decision is to partially uphold this complaint, and I require Monzo Bank Ltd to:

- Provide Ms E with a refund of 50% of her loss from payment 2 which is £13,383.02.
- Pay 8% simple interest on payments 2 to 4 from date of loss to date of settlement.

My final decision

For the reasons mentioned above, my final decision is to partially uphold this complaint against Monzo Bank Ltd and my requirements are detailed in the above 'putting things right' section of this decision paper.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 20 February 2026.

Paul Douglas

Ombudsman