

The complaint

Mr I complains Monzo Bank Ltd (“Monzo”) hasn’t refunded funds he lost as the result of a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the key details here.

Mr I made several payments towards what he thought was a legitimate task-based job. When he didn’t get his money back, he realised he had been scammed and so contacted Monzo.

Below are the payments Mr I made to a legitimate cryptocurrency provider:

| Payment | Date | Amount |
|---------|------------------|--------|
| 1 | 29 November 2024 | £20 |
| 2 | 1 December 2024 | £48 |
| 3 | 2 December 2024 | £420 |
| 4 | 2 December 2024 | £75 |
| 5 | 2 December 2024 | £15 |
| 6 | 3 December 2024 | £90 |
| 7 | 3 December 2024 | £1,290 |
| 8 | 4 December 2024 | £1,400 |
| 9 | 4 December 2024 | £600 |
| 10 | 6 December 2024 | £4,800 |

Monzo looked into the complaint but didn’t uphold it. Unhappy with Monzo’s response, Mr I raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and also didn’t uphold it. Our Investigator said Mr I didn’t give accurate answers to the questions Monzo asked - so it couldn’t have prevented the payments being made.

As an agreement could not be reached, the complaint has been passed to me to decide.

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 discourtesy 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'm sorry that Mr I has been the victim of a scam. I realise he's lost a significant sum of money, and I don't underestimate the impact this has had on him. However, just because a scam has occurred, it doesn't mean he is automatically entitled to recompense by Monzo. It would only be fair for me to tell Monzo to reimburse Mr I for his loss (or a portion of it) if I thought Monzo ought reasonably to have prevented all, or some, of the payments he made, or if I believed Monzo hindered the recovery of the payments Mr I made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

In broad terms, the starting position at law is Monzo are expected to process payments and withdrawals that a customer authorises it to make. I appreciate that Mr I didn't intend for his money to end up in the hands of a scammer but as he authorised the payments in question here under the Payment Services Regulations 2017 he is presumed liable for the loss in the first instance. However, there are some situations when Monzo 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 to counter various risks, including 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, take additional steps, or make additional checks, before processing a payment, or in some cases decline it 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.

So, I've thought about whether the transactions should have highlighted to Monzo that Mr I might be at a heightened risk of financial harm from fraud.

When considering the payments individually and in combination I don't think payments 1 to 9 ought to have concerned Monzo. The values were relatively low and even where payments were made on the same day the combined value didn't reach a level which would have suggested to Monzo that Mr I was at risk of financial harm from fraud. Although the payments were going to a legitimate cryptocurrency provider, which carries a known fraud risk, that isn't enough for me to say that Monzo ought to have been suspicious such that it should have intervened.

I think the value of payment 10 and the destination ought to have concerned Monzo. Monzo carried out direct intervention and called Mr I prior to processing the payment. During the call Monzo asked several questions regarding the payment. In summary, Mr I confirms the payment is for cryptocurrency, he has been investing for a number of years making payments via another firm and has decided to use Monzo as he finds it's payment process easier, for example he doesn't always have his card with him. He says no one else is involved, he's not part of a group messaging service and he has educated himself on investing in cryptocurrency for example by attending in person seminars. Monzo provided a cryptocurrency investment scam warning which I think was reasonable given that Mr I's answers were plausible in the circumstances, and I don't find they suggested he was

potentially falling victim to a job scam. The warning didn't resonate with Mr I, and he continued to make the payment, but as Mr I indicated the payment was related to a cryptocurrency investment and not part of a job, Monzo wasn't able to provide a more relevant warning.

Mr I's testimony is clear that he was being actively coached in real time by the scammer on what to say and what not to say. He's explained he understood this was to allow the payments to be processed without delay and that Monzo's questions were routine. This shows the degree with which Mr I was under the scammer's spell and I believe it was of such a level that any intervention from Monzo wouldn't have been able to uncover the scam or prevent Mr I from making payments.

I don't think Mr I meant to deliberately mislead Monzo or understood the impact giving inaccurate answers would have. However, a firm's intervention relies on customer's giving accurate answers and when that doesn't happen, as is the case here, it can impact the actions a firm takes.

Because I don't think Monzo could have prevented the payments Mr I made, it wouldn't be fair or reasonable for me to hold it liable for his losses.

I've thought about whether there's anything else Monzo could have done to help Mr I — including if it took the steps it should have once it was aware that the payments were the result of fraud. Given the time between the payments being made in 2024 and the scam being reported to Monzo in August 2025 I don't think there was any prospect of recovering Mr I's funds.

I'm sorry to disappoint Mr I further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Monzo needs to refund his money or pay any compensation. I realise this means Mr I is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 2 March 2026.

Charlotte Mulvihill
Ombudsman