

The complaint

Miss B complains that Monzo Bank Ltd ('Monzo') won't refund the money she lost after falling victim to a scam.

What happened

In 2025, Miss B was looking for an opportunity to earn additional income. She found a role advertised online that involved remote working, completing tasks for a commission. Unfortunately, this was a job scam.

Miss B made the following payments from her Monzo account as part of the scam.

Date	Pmt no	Details of transaction	GBP value	Payment sent
7.7.2025	1	International Transfer - NG	£1,500	EUR1,732.60
8.7.2025	2	International Transfer - LX	£2,010	HK\$21,276.70
8.7.2025	3	International Transfer - LZ	£2,010	HK\$21,268.91
18.7.2025	4	International Transfer - SY	£1,500	HK\$15,737.30
18.7.2025	5	International Transfer - ZQ	£2,500	Hk\$26,196.34

When Miss B was unable to withdraw her earnings and commission, she realised it was a scam and reported it to Monzo. Monzo declined to refund her saying they had executed her payment instructions and aren't liable for her loss.

Miss B wasn't happy with Monzo's response, so she brought a complaint to our service.

An investigator looked into her complaint but didn't uphold it. The investigator felt Monzo should've been concerned and intervened when payment three was made. But, as the scammer was guiding Miss B on how to answer any questions asked by her bank, it was unlikely the specific type of scam would've been uncovered and Monzo wouldn't have provided a warning that would've prevented Miss B's loss.

Miss B disagreed with the investigator's opinion and asked for an ombudsman to review her case. She raised the following points:

- Monzo has a duty to operate effective fraud controls.
- A targeted warning would've made a difference and prevented her loss.

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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider would more likely than not have happened in light of the available evidence.

I'm really sorry that Miss B has fallen victim to such a cruel scam. I understand that she had to borrow money from family and take out credit cards to make the payments. So, this scam and the financial loss has had a devastating impact on her.

Having considered all of the evidence, I've reached the same answer as the investigator. I'll explain why.

In broad terms, the starting position at law is that Monzo are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. Here it's not in dispute that Miss B authorised the payments, although she did so not realising she was the victim of a scam. So, the starting position is that Monzo aren't liable for her loss.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in July 2025 that Monzo should:

- have been monitoring accounts and any payments made or received 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 firms are generally more familiar with than the average customer;
- 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;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers and the different risks these can present to consumers, when deciding whether to intervene.

I'm satisfied that when Miss B made payment three, Monzo should've identified a potential risk of financial harm from fraud. I say this as Miss B had sent over £4,000 in a short space of time by international transfer. Based on the size of the payments, that Miss B had set up three new payees and that she had made international payments, which were unusual for her account, I would've expected Monzo to have intervened.

As part of that intervention, I would've expected Monzo to have asked Miss B onscreen questions to identify the specific scam type she was potentially falling victim to. Then, based on the answers Miss B gave, I would've expected Monzo to have provided an onscreen dynamic warning that set out the key features of the scam type they identified.

Just because Monzo didn't intervene when I'm satisfied they should have, doesn't necessarily mean that Miss B is entitled to a refund. I have to go on to consider what I think would more likely than not have happened as a result of that intervention and whether I'm satisfied that Miss B's loss would've been prevented.

Based on the messages between Miss B and the scammer, I can see that Miss B was asked to screen shot any questions that her bank asked so the scammer could tell her what answer to provide. Another Electronic Money Institution ('EMI') intervened before the payments Miss B made from her Monzo account, by blocking a payment. The scammer told Miss B to tell the EMI that she urgently needed the transfer because she was sending money to a relative abroad. I can also see that during interactions with other banks the scammer told Miss B to send them screen shots of any questions, and they warned her against trying to make the payment herself, as it could potentially delay the transfer.

So, if Monzo had asked onscreen questions about why she was making payment three, I think it's more likely than not the scammer would've told Miss B which purpose to select and guided her to provide incorrect information so Monzo couldn't detect the actual scam type. This meant that any warning Monzo gave in response to Mrs B's answers wouldn't have resonated with her as it wouldn't have been relevant to a job scam.

Miss B feels that targeted warnings would've made a difference and prevented her from making the payments. But I'm not satisfied that a warning about an investment scam, or a safe account scam, or any scam that wasn't a job scam, would've impacted on Miss B's decision about making further payments. The key features of other scam types wouldn't have mirrored Miss B's circumstances, so they wouldn't have been impactful.

Monzo should be aware that scam victims are coached and don't always answer questions honestly. But Monzo can only provide a warning based on the information Miss B shares with them. And, where the questions are being asked onscreen, which is the type of intervention I would've expected at payment three, it's difficult for Monzo to identify any coaching.

Also, I wouldn't have expected Monzo to have called Miss B about payment three, which may've been more impactful. I say this because I'm not satisfied that the risk associated with payment three warranted a call in these circumstances. I also wouldn't have expected Monzo to have intervened on any subsequent payments Miss B made, taking into account the size of the payments and the 10 day gap between payment three and payments four and five.

I'm really sorry to disappoint Miss B but I'm not satisfied that I can fairly hold Monzo liable for her loss.

My final decision

My final decision is that I don't uphold this complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 24 March 2026.

Lisa Lowe
Ombudsman