

The complaint

Mr S complains that Monzo Bank Ltd (“Monzo”) hasn’t protected him from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mr S has explained that between April 2024 and January 2025 he made numerous payments from his Monzo account for what he thought was a legitimate investment. Mr S subsequently realised he’d been scammed and got in touch with Monzo. Ultimately, Monzo didn’t reimburse Mr S’s lost funds, and Mr S referred his complaint about Monzo to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for a 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’ve focused on what I think is the heart of the matter. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it – I haven’t. 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, reflecting the informal nature of our service as a free alternative to the courts.

I’ve decided to not uphold Mr S’s complaint for materially the same reasons as our Investigator.

If Mr S has been the victim of a scam here, he has my sympathy. Ultimately, however, Mr S would have suffered his loss because of fraudsters, and this doesn’t automatically entitle him to a refund from Monzo. The Payment Systems Regulator’s APP scam reimbursement rules introduced on 7 October 2024 and the Contingent Reimbursement Model introduced in 2019 don’t apply to payments made to the consumer’s own account. So they don’t apply to this case here. Still, there are various and longstanding expectations of payment service providers like Monzo to be alert to fraud and scams and to act in their customers’ best interests. But it would only be fair for me to tell Monzo to reimburse Mr S his loss (or part of it) if I thought Monzo reasonably ought to have prevented the payments (or some of them) in the first place, or Monzo unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Mr S authorised the relevant payments. Monzo would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr S is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Monzo should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made

by customers each day and it's not realistic or reasonable to expect Monzo to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

However, in this case I can see that Monzo did intervene when Mr S made the first payment. Our investigator went into some detail around this and there's no need for me to repeat everything here. Like our Investigator, I'm satisfied from the nature of this intervention by Monzo that Mr S was warned about fraud and scams. Monzo ran through with Mr S some common investment scams it was seeing at the time. But Mr S wasn't upfront about the real reasons he was making the payment or the context in which he was doing so, despite Monzo outlining potential red flags that reasonably ought to have resonated with Mr S. And whilst I note that Mr S's representative has said Mr S was not coached by the fraudsters on how to interact with his bank, there is a distinct lack of evidence around the content of Mr S's communications with the scammers. So I've not seen anything to sufficiently allay concerns here that Mr S was likely under the spell of the scam and scammers. In any case, it does appear here that Mr S was intent on not being upfront with Monzo when it intervened in his first payment.

I've thought carefully about everything Mr S's representative has said. I accept it's possible that had Monzo intervened even more robustly than it actually did, and on other occasions also, that Mr S might have opened up, enabling Monzo's most robust warnings and direct red flags to have been presented to him. I think it's more likely, however, that any such intervention from Monzo wouldn't have sufficiently dissuaded Mr S. Even in January 2025, after Mr S had made all the payments and Monzo was able to give Mr S more specific information about the alleged trading platform, Mr S still didn't sound convinced. Ultimately, therefore, I think it's most likely Mr S would have remained intent on making payments of this size irrespective of proportionate intervention from Monzo. I'm therefore not persuaded I can say Monzo is the cause of Mr S's loss, nor therefore that it would be fair for me to hold Monzo responsible for the loss.

I've thought about whether Monzo unreasonably missed an opportunity to recover the payments when Mr S reported the scam. However, these payments were made to a crypto exchange and moved onto the scammers from there. There isn't any way Monzo would reasonably have been able to recover the payments in these circumstances.

I'm sorry if Mr S was scammed and lost this money. Despite my natural sympathy, however, I can't fairly tell Monzo to reimburse him in circumstances where I'm not persuaded it reasonably ought to have prevented the payments or to have recovered them.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 February 2026.

Neil Bridge
Ombudsman