

The complaint

Mr P complains that MONZO BANK LIMITED (“Monzo”) won’t refund money he lost to a scam.

What happened

In December 2023 and January 2024, Mr P made three payments totalling £2,550 from his newly opened Monzo account in connection with what he believed was an investment opportunity, but it turned out to be a scam. He raised a claim with Monzo shortly after the last payment and said he didn’t make or recognise the disputed payments. Monzo declined Mr P’s claim on the basis that it couldn’t treat the payments as fraudulent as they couldn’t have been authorised by a third party. It also notified Mr P of its decision to close his account.

In November 2025, Mr P complained to Monzo about its decision to decline his claim. He said he’d sent the disputed payments from his Monzo account to a cryptocurrency wallet in his name for onward transfer to external wallets after being targeted by scammers. He said he was unhappy with Monzo’s response to his claim in 2024, when it closed his account without carrying out an investigation. Monzo declined Mr P’s scam claim and said he’d need to contact the provider of his cryptocurrency wallet as the funds were lost from there.

Unhappy with Monzo’s outcome, Mr P contacted the Financial Ombudsman Service. Our Investigator didn’t uphold Mr P’s complaint. They weren’t persuaded that the disputed payments carried a heightened risk of financial harm such that Monzo should have intervened before processing them. The Investigator also concluded that the bank didn’t act unreasonably during its initial investigation in 2024, and in its decision to close Mr P’s account.

Mr P disagreed with the Investigator’s conclusions and asked for an Ombudsman’s decision. In summary, he states that Monzo should have intervened when the disputed payments were made, and it hasn’t treated him fairly.

Preliminary matters

Mr P has made substantial submissions. I’m aware I’ve summarised the background to this complaint in far less detail. I’ve also kept my findings succinct. The statute which provides for the Financial Ombudsman Service says that disputes should be resolved “quickly and with minimum formality”. This doesn’t mean that I’ve not considered all of the evidence and arguments in this complaint. I’ve read and considered the whole file, but I’ve focused my comments on what I think is relevant. If I’ve not commented on any specific point, it’s not because I’ve failed to consider it, but because I didn’t think I needed to comment on it in order to reach what I think is a fair and reasonable outcome.

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 sorry to hear about the impact this loss has caused Mr P, not just financially but also emotionally and on his health. I'd also like to acknowledge the lengths he has gone to in order to support his case.

In broad terms, the starting position at law is that a payment service provider like Monzo is 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.

But, having taken into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider good industry practice at the time, there are circumstances when it might be appropriate for Monzo to take additional steps before processing a payment. If it fails to act on information which ought reasonably to alert it to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

I acknowledge that Mr P feels Monzo should have taken additional steps when the payments were made. However, like the Investigator, I don't consider the transactions – individually and combined – to be *that* remarkable or suspicious such that I think the bank should have had cause for concern. Despite being a newly opened account, so there was no previous activity to compare these transactions with, the amounts involved were relatively low.

I acknowledge that the transactions were linked to cryptocurrency. But this in and of itself didn't make them unusual to the point that I think Monzo should have intervened. Buying cryptocurrency is a legitimate activity. There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments.

Overall, I haven't seen any other factors at play here such that, in my view, Monzo should have been concerned and ought to have questioned Mr P before processing the payments.

I've thought next about Monzo's actions once the matter was reported to it. Mr P says Monzo didn't give his first claim a fair chance. I disagree. When he first reached out, Mr P said he didn't recognise or make the payments. Monzo considered his claim for a refund based on his submissions at the time. Namely that he was seeking a refund on the basis that the payments weren't made by him or with his knowledge. In the circumstances, I wouldn't have expected Monzo to have asked for evidence such as screenshots of the trading platform or wallet addresses like Mr P has suggested. Nor would I have expected Monzo to have attempted recovery of the payments where its conclusion was that the transactions weren't fraudulent.

As for the account closure, Monzo is entitled to close an account just as a customer may close an account with it. But before Monzo closes an account, it must do so in a way which complies with the terms and conditions of the account. The terms and conditions of the account, which Monzo and Mr P had to comply with, say that it can close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Here, having read the in-app chat correspondence between Monzo and Mr P from the relevant period, I can see that it gave him two months' notice of the account closure when it communicated the decision to decline his claim on the basis that the payments couldn't be treated as fraudulent. So, I can't fairly say that the bank did something wrong here. It made a commercial decision to end its relationship with Mr P and gave sufficient notice in line with the terms of the account.

Monzo did reconsider Mr P's claim when he complained the following year and said he had made the payments but fell victim to a scam. The outcome didn't change, but I'm satisfied that Mr P's complaint was answered and he was given referral rights to this office. I've considered whether there are any ways Monzo could have recovered Mr P's money after it became aware that he was scammed, but I don't consider it could have. This is because the funds were used to purchase cryptocurrency from legitimate providers. And Mr P has told us that the cryptocurrency was transferred out.

Mr P has raised his vulnerability at the time he became involved in the scam. I don't doubt what he's told us, and about how his circumstances could have impacted his decision-making. But this isn't reason alone to tell Monzo to refund him. Monzo wasn't aware of Mr P's circumstances. I've considered whether Monzo should proactively have identified potential vulnerability. But, having carefully read the in-app chat correspondence between Mr P and Monzo, I don't consider there was anything which ought to have put it on notice that he was vulnerable, or that he was a scam victim at the time. I've taken into account that many payments that look very similar to this one will be entirely genuine. Many people do genuinely invest in cryptocurrency.

In summary, although I know that Mr P will be significantly disappointed and will likely disagree with my findings, it wouldn't be fair of me to hold Monzo responsible for his loss.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 May 2026.

Gagandeep Singh
Ombudsman