

The complaint

Mr W complains that Monzo Bank Ltd won't refund the full amount of money he lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr W complains that he sent several payments to what he thought was a task-based job.

Payment 1	26 April 2025	£25
Payment 2	27 April 2025	£130
Payment 3	27 April 2025	£400
Payment 4	27 April 2025	£700
Payment 5	27 April 2025	£913
Payment 6	27 April 2025	£1,600
Payment 7	27 April 2025	£900
		£4,668

When Mr W realised he had been scammed, he logged a complaint with Monzo.

Monzo looked into the complaint but didn't uphold it. It said it had given Mr W a cryptocurrency warning, but he had gone on to send the payments anyway.

Mr W remained unhappy. So, he brought his complaint to our service.

Our investigator looked into the complaint and thought it should be upheld from payment six, as he didn't think the warning Monzo gave was adequate in the circumstances. Our investigator also found Mr W could have done more to protect himself and the liability should be shared. So, he recommended 50% of the payments be refunded from payment six, minus £174.63 that Mr W still has in his cryptocurrency wallet.

As both parties didn't agree with the investigator's view, 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 significant part 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.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

I don't doubt Mr W has been the victim of a scam here – he has lost a considerable sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr W is automatically entitled to recompense by Monzo.

It would only be fair for me to tell Monzo to reimburse Mr W for his loss (or a proportion of it) if:

- I thought Monzo reasonably ought to have prevented all (or some of) the payments Mr W made, or
- Monzo hindered the recovery of the payments Mr W made.

Whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Monzo treated Mr W fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did.

Having done so, I've decided to uphold Mr W's complaint in part, and for broadly the same reasons as our Investigator. I'll explain why.

Should Monzo have intervened and would it have made a difference?

I have kept in mind that Mr W made the payments himself, and the starting position is that Monzo should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance.

I appreciate that Mr W did not intend for his money to ultimately go to fraudsters and was deceived into doing so – but he did authorise these payments to take place. However, there are some situations when a bank, 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 and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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, irrespective of the payment channel used, have taken

additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment 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 W might be at a heightened risk of financial harm due to fraud or a scam.

I think the first five payments to the scam were too low value to require any intervention from Monzo. I appreciate they were going to a cryptocurrency provider, but this in itself doesn't mean Monzo should automatically block the payments, given many people invest legitimately each day.

However, payment six was the first one of a significant value going to an identifiable cryptocurrency provider and took the total that day to £3,743. This I'm satisfied ought to have concerned Monzo and highlighted that Mr W could be at risk from financial harm.

Here I'm satisfied a proportionate warning should have been a series of question to narrow down the payment purpose and its wider circumstances. Monzo then should have provided a warning relevant to the payment purpose Mr W selected.

As I've not seen any information to show me Mr W had been coached in how to answer the banks questions, I'm satisfied its most likely he would have answered accurately and told Monzo he was paying to earn money. Here Monzo should then have highlighted the risks and features of this type of scam and there is no reason why these wouldn't have resonated with Mr W. So, I'm confident the scam would have been uncovered and no further payments sent.

Monzo did give Mr W a cryptocurrency warning, but given when these payments were made, and that firms should recognise that payments going to cryptocurrency providers carry an elevated risk of fraud, I'm satisfied this warning was not adequate in the circumstances and Monzo needed to get a better understanding of why the payment was being made before tailoring its warning.

Should Mr W share equal responsibility with Monzo?

I've thought about whether Mr W should bear any responsibility for his losses. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all of the circumstances of this complaint, including taking into account Mr W's own actions and responsibility for the losses he has suffered.

Here I'm satisfied the responsibility should be shared. I'll explain why.

- Mr W was paying money towards a job that he was meant to be receiving a salary for, which is not typically how employment works. I think this should have raised some red flags with Mr W and he should have made further enquiries about why it was structured this way. Had he done so, I think it most likely would have resulted in him realising this was a scam.

- Mr W was generating ratings for products he hadn't used. This ought to have raised concerns about the legitimacy of the role.
- There was no documentation or contract of employment.
- Mr W was having to convert his money into cryptocurrency, which is unusual for a legitimate business to accept payments in this way.
- Mr W was being asked to transfer substantial amounts of money with little to no withdrawals.

Whilst I acknowledge one of the above on its own may not have caused Mr W any concern, the combination of factors leads me to believe Mr W ought to have done more to protect himself.

For the reasons I've explained, I'm satisfied Mr W should bear some liability for his loss, because he hasn't acted reasonably in the circumstances of this case. Therefore, I believe liability should be shared equally between both parties.

Mr W was left with £174.63 that remains in his cryptocurrency wallet. As this was never sent on to the scammer and can't be attributed to any one individual payment he sent from his account with Monzo, I find it should be deducted from the redress amount.

Putting things right

In order to resolve this complaint, I instruct Monzo Bank Ltd to:

- Refund Mr W the £1,600 and £900 payment minus a 50% deduction for his shared liability.
- Deduct £174.63 which remains under Mr W's control.
- Pay 8% simple interest on these amounts from the date the payment was made to the date of settlement.
- Less any tax lawfully deductible.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 March 2026.

Tom Wagstaff
Ombudsman