

The complaint

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

What happened

In 2025, Ms L met someone through a dating app. I'll refer to this person as D. D said he worked for a bank as a cryptocurrency analyst and investment expert, with nine years of experience.

D said he could help Ms L invest through cryptocurrency and she made the following payments from her Monzo account.

Most of the payments were made to top up an account she held with another bank – I'll refer to that bank as Bank W.

Date	Time	Place/location	Type of transaction	Amount
3.6.2025	1	Faster payment to X – a cryptocurrency exchange		£500
4.6.2025	2	Faster payment to X – a cryptocurrency exchange		£4,500
8.6.2025	3	Card payment to Ms L's account with Bank W		£1,006.60
8.6.2025	4	Card payment to Ms L's account with Bank W		£2,013.20
8.6.2025	5	Card payment to Ms L's account with Bank W		£3,403.65
9.6.2025	6	Faster payment to Ms L's account with Bank W		£2,000
12.6.2025	7	Faster payment to Ms L's account with Bank W		£1,622.99
12.6.2025	8	Faster payment to Ms L's account with Bank W		£3,841.91
13.6.2025	9	Faster payment to Ms L's account with Bank W		£9,977.22
14.6.2025	10	Faster payment to Ms L's account with Bank W		£852.91
15.6.2025	11	Faster payment to Ms L's account with Bank W		£9,978.99
16.6.2025	12	Faster payment to Ms L's account with Bank W		£9,983.66

When Ms L tried to withdraw her investment, she was told she had to pay taxes and fees. She discussed this with a family member who suggested it was a scam. So, Ms L raised a scam claim with Monzo.

Monzo said they weren't liable for Ms L's loss. Ms L wasn't happy with Monzo's response, so she brought a complaint to our service.

An investigator looked into her complaint and recommended that Monzo refund Ms L 50% of payments two to four, and 16% of payments five to 12. The investigator felt Monzo should've intervened at payment two, and if they had, Ms L's loss would've been prevented. The investigator explained that she had reduced the refund on payments five to 12 as she felt Ms L should be held liable for 50% of her loss and Bank W had already refunded 33% of these payments. The investigator said this meant the outstanding loss on the payments was 16% which Monzo should be liable for. While payments three and four also went to Bank W, Bank W hadn't refunded any of these payments to Ms L, so the liability for the loss on these payments only had to be split between Ms L and Monzo.

Ms L disagreed with the investigator's opinion and asked for an ombudsman to review her case.

It should be noted that if Bank W has refunded 33%, and Ms L is liable for 50%, that means Monzo's liability is 17% for payments five to 12. So, there has been a slight miscalculation by the investigator.

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 really sorry that Ms L was the victim of a cruel scam and to hear of the serious impact it has had on her. But, having reviewed the evidence, I've broadly reached the same answer as the investigator and for the same reasons.

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.

It's not in dispute that Ms L authorised these payments, although she did so not realising she was the victim of a scam. So, the starting point is that Monzo aren't liable for her loss.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Monzo also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

By June 2025, Monzo should've been aware of the elevated risk associated with cryptocurrency payments, following warnings issued by the FCA and Action Fraud in mid-2018. They should also have been aware of multi-stage scams, where consumers can move money between their accounts as the result of fraud.

Based on the size of payment two and because it was identifiably related to cryptocurrency, I would've expected Monzo to have identified a potential risk of financial harm. In response, Monzo should've asked Ms L questions to identify the specific type of scam she was at risk of and provided a warning setting out the key features of that scam.

There isn't any evidence that Ms L was coached by the scammer, so if Monzo had asked the reason for the payment, I'm satisfied it's more likely than not Ms L would've told them it was related to a cryptocurrency investment.

The warning should've set out the key features of cryptocurrency investment scams which would include being endorsed by high-profile individuals, returns that are too good to be true, being advertised on social media sites, and capital being guaranteed (as these investments usually involve a level of risk). The warning should also have set out steps that Ms L could take to protect herself, including the type of checks she should do.

If Ms L had seen a warning like this, I'm persuaded it's more likely than not Ms L would've completed checks and realised the investment wasn't legitimate. I say this as an online search for the company name (on the link that Ms L was sent by D) immediately brings up a link to the genuine company's website which explains how to identify whether you're dealing with the genuine company. A search also brings up multiple separate scam warning sites from prior to the date Ms L made her first payment. All of these links say that it is a scam and set out circumstances that mirror Ms L's where the victim thinks they are talking to someone who is a financial analyst and recommends the investment.

So, I'm satisfied that it's more likely than not Monzo's intervention would've prevented Ms L's loss from payment two onwards and so, subject to what I say below, they refund these payments.

But I also have to consider whether Ms L should've been concerned and taken reasonable steps to mitigate her loss. In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

I can't see that Ms L did any checks on the person she was talking to or the company that she believed she was investing with. D said he worked for a large bank, but I haven't seen any evidence that suggests this was true. Also, while Ms L looked at the website for the company she believed she was investing through, I can't see she did any checks to ensure they were legitimate. Which, considering the amount of money she was transferring, are steps I believe a reasonable person would've taken. Especially as Ms L had met D on a dating app and he recommended the investment shortly after they had started talking. Ms L took everything D told her at face value, without completing any checks. And, as I referenced above, basic online searches would've shown that it was more likely than not Ms L was the victim of a scam.

On that basis, it's fair for Ms L to share responsibility for her loss with Monzo and reduce the refund by 50%.

Calculating the redress

For payments two to four inclusive, liability is equally split between Ms L and Monzo – 50% each. While payments three and four were made to Ms L's account with Bank W, Bank W didn't accept any liability for these payments and I'm not recommending they refund them – which is why I haven't split the liability with Bank W. So, Monzo should refund 50% of these payments.

Payments five to 12 were made to Ms L's account with Bank W and Bank W has already refunded 33% of them. As Ms L is liable for 50% under contributory negligence, Monzo are liable for the remaining 17%.

Putting things right

To put things right I require Monzo Bank Ltd to:

- Refund 50% of payments two to four (inclusive),
- Refund 17% of payments five to 12 (inclusive), and
- Pay 8% simple interest per year on the refunds, calculated from the date of the payments until the date of settlement.*

*If Monzo considers that it's required by HM Revenue & Customs to deduct income tax from that

interest, it should tell Ms L how much it's taken off. It should also give Ms L a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint against Monzo Bank Ltd and require them to compensate Ms L as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 15 April 2026.

Lisa Lowe
Ombudsman