

The complaint

Mr M complains that Monzo Bank Ltd (Monzo, hereinafter) hasn't refunded the losses he's incurred when falling victim to a job task scam.

What happened

The facts are well known to both parties, so I have outlined the key details. In summary, Mr M says he was applying for part-time jobs on a renowned online platform to supplement his income, after his father had stopped supporting him financially, in September 2023.

He was contacted by the scammer on a social media platform and was offered a job. He says this was in response to one of his applications. He was told he could earn commission from completing tasks that involved reviewing items on online shopping sites. Mr M says he researched the company online and was also added to a chat group with others who were similarly completing the tasks.

As part of the scam, Mr M was convinced to send funds to the scammer. This was in the form of cryptocurrency. Mr M also made payments to the scam from another bank account in his name with a firm I'll refer to as B.

Mr M already had some experience sending and trading cryptocurrency and had a wallet open with a genuine provider. However, he opened another cryptocurrency wallet for the purpose of the scam with a provider I'll refer to as N. From there, he then sent his funds to the scammer's cryptocurrency wallet.

Mr M received £198.50 in scam returns into his account with B.

From his Monzo account, Mr M made the following payments:

Payment #	Date	Time	Type of transaction	Amount
1	20/09/2023	17:16	Debit card payment to N	£1,079.50
2	20/09/2023	17:28	Debit card payment to N	£3,610.07
	20/09/2023	17:41	Debit card payment to N - DECLINED	£7,202.67
3	21/09/2023	08:15	Debit card payment to N	£4,255.63
	21/09/2023	09:35	Debit card payment to N - DECLINED	£5,000.00
			Total payments	£8,945.20

Mr M says he realised he had fallen victim to a scam when the payment requests to complete tasks continued to increase in value, and when Monzo called him on 21 September 2023 to warn him against the risks of continuing with his transactions.

When Mr M raised a scam claim with Monzo, Monzo didn't refund him. It said that it hadn't made any errors in processing the scam payments, and therefore it wouldn't look to refund them.

So, Mr M referred the complaint to the Financial Ombudsman Service.

Our Investigator found that Monzo should have intervened by way of a tailored online warning when Mr M made the second scam payment on 20 September 2023. However, they said that Mr M should also bear part of the responsibility for his loss, as he should have carried out more checks before making such high value payments to the scam, and he should have picked up on its red flags.

So, our Investigator recommended liability for the losses should be shared equally from payment two onwards.

Monzo disagreed with our Investigator's view on the basis that the payments went to an account in Mr M's name, meaning they were less risky. It also said that any earlier intervention from Monzo wouldn't have succeeded in unveiling the scam, because Mr M wasn't truthful about the genuine purpose of his payments. So, it would not be fair to hold Monzo liable.

I've issued a provisional decision on 16 January 2026. Below is what I said.

"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 heart of the matter 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 M has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr M is automatically entitled to recompense by Monzo. It would only be fair for me to tell Monzo to reimburse Mr M for his loss (or a proportion of it) if:

- I thought Monzo reasonably ought to have prevented all (or some of) the payments Mr M made, or*
- Monzo hindered the recovery of the payments Mr M 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 M 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 provisionally decided to depart from what our Investigator has said, and to not uphold Mr M's complaint. I know this will come as a disappointment to Mr M and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr M 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 M 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 M might be at a heightened risk of financial harm due to fraud or a scam.

Having done so, I believe that by the time Mr M made the second payment on 20 September 2023, Monzo ought to have intervened. I say this because of the value of the individual payment and its combined value with the first payment, and the fact it was made only a few minutes after the first one.

It also went to an identifiable cryptocurrency provider, and whilst Monzo has argued that there isn't specific guidance on when banks should intervene on a payment, it is widely known and accepted in the industry that payments involving cryptocurrency can carry higher risks than other types of payments.

Therefore, due to the prevalence of scams involving cryptocurrency payments, I think it would be reasonable to expect Monzo to have been on the lookout and monitor its customers' accounts against the risks associated with those payments, by the time these events took place in September 2023.

So, Monzo shouldn't have processed that second payment without first taking steps to warn Mr M about the risk of scams involving cryptocurrency. In the individual circumstances of this case, I would have expected a proportionate intervention to take the form of a tailored online warning, based on the reason Mr M had given for the payment.

Furthermore, I think Monzo should have also taken similar steps to protect Mr M from the risks of financial harm, when he made the third and final payment to the scam on 21 September 2023.

In coming to this finding, I've taken into account that, before that payment, Mr M had attempted a transaction to his cryptocurrency wallet of £7,202.67, which had been automatically declined by Monzo due to Mr M having exceeded the withdrawal amount limit from his account. This means the payment hadn't been blocked and declined due to Monzo's scam concerns, but exclusively for technical reasons.

I've also considered the payment was made several hours after the previous ones, and that its amount wasn't particularly high, both compared against the previous cryptocurrency payments and earlier genuine activity from Mr M's account.

Overall, due to the above considerations, I'm persuaded the characteristics of this payment would not have warranted any human intervention on Monzo's part, and that a tailored online warning would have been a proportionate way to protect Mr M from the inherent risks carried by that transaction.

Would Monzo's intervention have made a difference?

The question for me to answer next is whether, on the balance of probabilities, Monzo would have been able to prevent Mr M's further losses, had it intervened during the scam, in the way I've described above.

I've considered that point carefully and I'm not persuaded it would have been.

I've based myself on the evidence available to me to come to this conclusion, including the chat transcripts with the scammer, Monzo's scam intervention with Mr M when he attempted a further payment on 21 September 2023 for £5,000, and a conversation Mr M held with fraud specialists from B when B intervened on 19 September 2023 on scam payments Mr M attempted from that account.

Mr M's representatives submitted that B's intervention and payments aren't relevant to the scam, but I beg to differ. Based on the scam chat transcripts, I believe that, on the balance of probabilities, Mr M was attempting those high value payments from his account with B because he had exceeded his withdrawal amount limit from his Monzo account, and because N would not let him make further payments to the scammer from its wallet without verifying his passport. So, I think it's fair for me to take Mr M's interaction with B into account in deciding whether Monzo's proportionate intervention would have unveiled the scam.

Mr M's representatives are adamant that, since Mr M stopped making payments to the scam after his call with Monzo, earlier intervention from Monzo would have had the same effect.

However, the evidence before me doesn't point to that being the most likely outcome.

I say this because, even though Mr M was only "loosely" coached by the scammer to give misleading answers to his bank, he consistently gave a different explanation of why he was making the payments to both B and Monzo, stating that he was trading cryptocurrency on the genuine cryptocurrency platform and that he had been doing that for about a year. He told B that he was recommended the platform by a friend, and he told Monzo he had also invested in stocks and shares and that no third parties were involved. This cover story hadn't been suggested by the scammer, but was rather the result of Mr M's decision.

Mr M stated that he was making independent investments on at least three separate occasions during the course of the scam, both via in-app written interventions and phone calls. This means that, whether or not he was fully coached by the scammer, he was intent on keeping the genuine reason of his payments hidden from his banks.

So, I believe that, more likely than not, if Monzo had issued tailored questionnaires and warnings to Mr M during the second and third scam payments, Mr M would have selected that he was making an investment and would have not disclosed he was making payments towards a remote job opportunity. So, any warnings Monzo would have issued during those payment journeys would have been directed at cryptocurrency investment scams and would have not resonated with Mr M's circumstances.

It follows from there that Monzo would not have been in a position to identify the correct risks associated with Mr M's transactions and would not have been able to appropriately warn him about the risks posed by job task scams through an online tailored warning.

Moreover, having carefully reviewed Mr M's interaction with Monzo in the call of 21 September, I'm not persuaded he definitely realised he was being scammed during that phone call, as his representatives have portrayed in their submissions.

I say this because, despite the fraud specialist mentioning job tasks scams during the call, Mr M didn't disclose this is what was happening to him. Before concluding the call, the fraud specialist asked Mr M whether any of the advice and warnings he had given him resonated with his circumstances, to which Mr M still said no.

I believe that if Mr M had genuinely realised thanks to that intervention that he'd fallen victim to a scam, he would have wanted to raise a scam claim there and then. But this isn't what happened. So, I can't say with enough certainty that it was Monzo's intervention that broke the scammer's spell.

Due to the above findings, I'm not persuaded that earlier intervention from Monzo in the form of a tailored automated warning would have protected Mr M from sustaining further losses and unveiled the scam.

Finally, Mr M has also argued that he was vulnerable to the scam, as he was experiencing a pay decrease at his full-time employment, due to having taken too much annual leave. While I note Mr M's comments, and from what he's said I understand this would have been a worrying time for him, the evidence I've seen doesn't suggest that Monzo had been notified of any vulnerabilities or needs such that it should have known to take additional steps to protect Mr M as he was making the payments.

Overall, based on all of the above, I believe Monzo wouldn't have been able to prevent Mr M's losses, even if it had intervened earlier in the scam.

Recovery

Because the scam payments were made via debit card, the only potential avenue for recovery would have been via a chargeback claim.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders.

Monzo is bound by the card scheme provider's chargeback rules, Mastercard in this instance. Whilst there is no 'right' to a chargeback, I generally consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a

chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed.

I don't consider that a chargeback would have had any prospect of success in this case. This is because the payments went to a legitimate cryptocurrency provider, which did provide a service to Mr M, by issuing cryptocurrency in exchange for his funds, albeit just not for his benefit.

So, I don't think Monzo could have done more to attempt to recover Mr M's funds in this instance."

Mr M has made some further submissions in response to my provisional decision, which I've summarised as follows:

- The provisional decision should have explained why it departed from the investigator's view, and why it deemed the investigator to be wrong in coming to their findings;
- I relied on a call with a separate financial institution, which was very generic and related to other payments, and failed to explain what a proportionate intervention from Monzo should have looked like;
- It was speculative and unexplained of me to come to the conclusion that earlier intervention wouldn't have unveiled the scam when Mr M stopped making payments after his call with Monzo;
- I failed to obtain and rely on a relevant call from Monzo that broke the scammer's spell.

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 very sorry for what has happened to Mr M and I recognise the impact this scam has had on him and his finances.

I've given careful thought to his arguments to my provisional decision. However, even when taken together, they don't change my opinion of how this complaint should be fairly and reasonably resolved.

I'll explain why.

Our Investigator stated that Mr M fabricated the reason for the payment in the call with Monzo, but because he was only loosely coached by the scammer, they didn't think Mr M would have been able to give a credible cover story to Monzo. So, they said that a tailored written warning by the time of the second payment would have successfully unveiled the scam.

As I've explained already in my provisional decision, I disagree this would have been the most likely outcome in the circumstances. I say this because, even if Mr M had only been loosely coached by the scammer, his interactions with B and Monzo show clearly that he was intent on keeping the genuine reason of his payments hidden from both banks.

So, I don't think it matters whether Mr M was heavily coached by the scammer or not in this scenario. What matters is the fact that Mr M consistently gave a cover story to both banks over several occasions, that ultimately made it impossible for either bank to uncover he may be falling victim to a job task scam.

I disagree with our Investigator that the cover story wasn't credible. On the contrary, I think Mr M came across as confident during his interactions with both banks and gave enough detail about his experience trading cryptocurrency and his investment portfolio, which made it reasonable for the banks to process his payments. The beneficiary was consistent with Mr M's explanations too, so I can see how the banks' concerns would have been alleviated as a consequence.

Our Investigator stated that a tailored written warning at the point Mr M made payment two would have uncovered the scam, but I can't agree with that either. As mentioned above and in the provisional decision, Mr M stated on several occasions that he was trading cryptocurrency, he'd done that for about a year, nobody else was involved or was instructing him what to invest in, and he wasn't planning on moving his funds from the genuine cryptocurrency trading platform.

So, if Monzo had issued a tailored written warning before payment two asking for the reason for payment, I'm persuaded that, more likely than not, Mr M would have selected he was investing in crypto on his own, and not that he was sending payments for a remote job opportunity. Therefore, I don't think Monzo would have been able to issue a written warning that was relevant to the scam Mr M was falling victim to.

Mr M said I was wrong in placing weight on an interaction with another financial institution, but I believe such interactions can be a strong indicator of the consumer's state of mind as they were falling victim to the scam and how they would have likely behaved in similar circumstances with another financial institution. In any event, most of my reasoning relied on Mr M's demeanour during his call with Monzo on 21 September 2023, so I can't accept his assertion that I relied on the "generic intervention from a different bank".

I've already explained that a proportionate intervention to both payment two and three would have been a tailored written warning, and that's such intervention wouldn't have been successful in unveiling the scam. So, it's ultimately not relevant whether Monzo's call of 21 September 2023 broke the scammer's spell, because I don't think that such level of intervention was required for the earlier payments.

In any event, I remain of the opinion that the way in which Mr M's interacted with Monzo does call into question whether the scam was unveiled then, as Mr M continued to deny that the job task scam advice was relevant to his circumstances until the end of that call and didn't report the scam to Monzo until after the call.

Finally, having fully reviewed the evidence before me, and looked at the chronology of events, including when Mr M reported the scam to Monzo after the call of 21 September 2023, I don't believe there were any further calls between Mr M and Monzo that weren't submitted for our service's consideration.

I think the call recording we received was the only call that took place between the scam payments being made and Mr M reporting the scam to Monzo. This is because it's accepted that Monzo didn't intervene earlier than 21 September 2023, and because Mr M didn't make any further scam payments after that. So, I can't see that there would have been further occasions for Monzo to conduct a fraud prevention call in the circumstances.

In light of the above considerations, my decision of this complaint remains unchanged.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 March 2026.

Daria Ermini
Ombudsman