

## The complaint

Mr P complains that Monzo Bank Ltd (Monzo) is refusing to refund him the amount he lost as the result of a scam.

Mr P is being represented by a third party. To keep things simple, I will refer to Mr P throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary Mr P has told us that he was approached via a group on a well-known messaging application to trade stocks. The group appeared to show profits being made each time a trade took place.

Mr P was then contacted by an individual from the group admin who asked him to make payments to crypto exchanges that would then be sent onto a wallet to trade. Mr P started investing with a small amount which appeared to make a profit. Based on his success Mr P agreed to make a larger investment but this time he lost all his funds.

The scammers agreed to refund Mr P's loss to the trading platform he was using. Mr P was told that the platform would only be available for six weeks and that he should trade as much as possible to increase his profits.

When the trading app was due to close Mr P was told he would have to deposit 10% of his profits to release his funds, but soon after Mr P was no longer able to contact the scammer and realised he had fallen victim to a scam.

Mr P has disputed the following payments made from his Monzo account:

Payment	Date	Payee	Payment Method	Amount
1	5 June 2024	Crypto.com	Debit Card	£257.48
2	14 June 2025	Crypto.com	Debit Card	£4,119.60
3	18 June 2025	Coinbase	Transfer	£600.00
4	24 June 2025	Crypto.com	Debit Card	£2,986.71
5	12 July 2025	Crypto.com	Debit Card	£2,000.00
6	24 July 2025	Crypto.com	Debit Card	£1,956.81
7	20 August 2025	Crypto.com	Debit Card	£4,499.63
8	24 September 2025	Clear Bank	Transfer	£3,000.00
9	30 September 2025	Clear Bank	Transfer	£7,010.47
10	30 September 2025	Clear Bank	Transfer	£300.00

Our Investigator considered Mr P's complaint and didn't think it should be upheld. Mr P disagreed, so this 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.

It has not been disputed that Mr P has fallen victim to a cruel scam. The evidence provided by both Mr P and Monzo sets out what happened. What is in dispute is whether Monzo should refund the money Mr P lost due to the scam.

### *Recovering the payments Mr P made*

Mr P made the disputed payments via transfer and Debit Card. But the payments were not made to the scammer directly, instead Mr P made the payments to a legitimate cryptocurrency exchange in exchange for cryptocurrency that was provided to him. As it took further steps for those funds to end up in the hands of the scammer, any attempt to recover the payments would have no prospect of success.

### *Should Monzo have reasonably prevented the payments Mr P made?*

It has been accepted that Mr P authorised the payments that were made from his account with Monzo, albeit on the scammer's instruction. So, the starting point here is that Mr P is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Monzo should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

The first payment Mr P made in relation to the scam wasn't so significant in value that I think Monzo should reasonably have had concerns that would have prompted it to intervene. However, when Mr P made payment 2 he was making a more significant payment for more than £4,000 to a known cryptocurrency exchange. Given the value of the payment and the increased risk associated with cryptocurrency related payments I think Monzo should have had concerns Mr P could have been at risk of financial harm and it should have intervened.

I think that a proportionate intervention to the risk payment 2 presented, would have been for Monzo to have discussed the payment with Mr P with the view being to understand the circumstances that led to the payment being made, and to have provided a suitable warning based on the information Mr P provided.

Mr P also went on to make further larger payments which I think should have prompted Monzo to intervene in the same way. But I don't think it would have made a difference if Monzo had intervened in the way I have said it should have above. I will explain why.

Monzo did intervene when Mr P attempted payment 8 from the table above.

A conversation took place between Mr P and Monzo using its chat facility. Mr P was provided with multiple written warnings that included:

- Genuine investment opportunities will never guarantee profit
- Scammers often convince customers that they have profited from an investment, but the customer needs to make a payment to release the winnings – this is a very

strong indicator that a scam is taking place...

- Scammers often fabricate websites to show fake earnings
- Scammers may ask you to open crypto wallets and advise you to send crypto to a new wallet address – if you've been asked to setup a new crypto wallet or use one you already had, and are told to send money to the wallet, exchange for cryptocurrency and then move it on to another wallet address, this is also likely to be a scam and you will not be able to get your money back
- Scammers will often claim to work for genuine investment companies
- Legitimate investments aren't arranged over social media or messaging apps such as WhatsApp
- Legitimate investment companies insist on contracts

In addition to the above warnings being provided in a written format via Monzo's chat facility a call also took place. Monzo has provided a recording of the conversation that took place between Mr P and Monzo.

During the call Mr P confirmed he was completely aware of what he was doing. He was then warned about common tactics that were often used by scammers which included:

- The use of social media
- Offers of quick returns
- Installing sharing software
- Building relationships on WhatsApp, Telegram, or over the phone
- Guaranteeing returns
- Providing access to legitimate looking fake websites

Mr P confirmed that none of the above sounded familiar to him.

Monzo then asked Mr P a series of questions and he confirmed:

- He wanted to invest as he had been researching for a year and was doing it as a hobby
- There was no social media involved
- He had found out about the cryptocurrency exchange as it was advertised on formula 1
- He stored his purchased crypto within his own wallets
- No one was helping him manage the investment it was purely himself

From reviewing the conversations that took place and the warnings provided to Mr P, it's clear that Mr P was willing to provide false information to Monzo and ignore warnings relevant to the scam he was experiencing to have the payments processed.

Providing incorrect information would and did make it very difficult for Monzo to uncover the scam that was taking place. I don't have enough to say that even if Monzo had intervened further, or when Mr P made other payments, that Mr P would have provided any more accurate information.

So, I don't think Monzo missed an opportunity to prevent the scam, and it is not responsible for Mr P's loss.

### **My final decision**

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 10 April 2026.

Terry Woodham  
**Ombudsman**