

## **The complaint**

Mr H complains that Monzo Bank Ltd will not refund the money he lost when he was the victim of a scam.

Mr H is represented in this complaint by a claims management company, but for simplicity I will refer to Mr H throughout this decision, even when referencing what his representatives have said on his behalf.

## **What happened**

In 2023 Mr H was contacted by someone on a messaging app, and began to correspond with them regularly, this person eventually brought up investment opportunities which they thought Mr H should get involved in. Mr H has said he saw a professional looking website, and saw an article about the investment online. He believed he could make profits of as much as 90% per trade, and so decided to go ahead. Unfortunately, and unknown to Mr H, there was no legitimate investment, he was dealing with a scammer.

Over the next few months Mr H made payments to the scam from various accounts he held, to facilitate this he opened a Monzo account and paid various funds into it, then moved those funds on to by cryptocurrency, either via his own wallets or through the peer-to-peer market. In total he made payments to the scam totalling £88,100 from his Monzo account.

Ultimately, Mr H realised he had been the victim of a scam, when the scammers repeatedly asked him to pay fees to release his supposed profits. And in October 2024, via his representatives, he contacted Monzo to tell it what had happened. Monzo looked at what had happened but declined to refund Mr H's loss, it said it had intervened appropriately in the payments he had made.

Mr H was unhappy with Monzo's response, so he referred his complaint to our service.

One of our Investigators looked into what had happened, but they were satisfied that Monzo could not have done any more to prevent Mr H's loss, so they didn't recommend that Monzo refund any of that loss to him.

Mr H and his representatives did not agree this was fair, they've said that Monzo's interventions, and the interventions carried out by the other banks involved in the scam payments, were not adequate, and that proportionate, timely, interventions and proper questioning of Mr H would have brought this scam to light and prevented much of the loss.

As no agreement could be reached this case has now been passed to me for a decision.

## **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.

Having done so, I've reached the same overall outcome as the investigator, I'll explain why.

It's not in dispute that Mr H authorised the payments that are the subject of this complaint. So, as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr H is responsible for them. That remains the case even though he was the unfortunate victim of a scam.

And I'm satisfied that all of the payments Mr H made from his Monzo account were either to accounts he himself controlled (his own cryptocurrency accounts), or for the purchase of cryptocurrency via the peer-to-peer market. This means that the Code does not apply to these payments.

Because of this, Mr H is not automatically entitled to a refund. Nonetheless, the regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Monzo acted fairly and reasonably in its dealings with Mr H, or whether it should have done more than it did.

In this case, I agree with our Investigator that Monzo should have stepped in to question Mr H at the time of the second payment he made to the scam. This payment was for almost £10,000, and was identifiably going to a cryptocurrency exchange. So, bearing in mind what Monzo would have known about the risk of such payments, I think it should have taken steps to contact Mr H to ask some questions about what he was doing.

But I can see that, prior to this payment, Monzo had already discussed scams with Mr H, it also then went on to discuss a later payment with him, as did other banks involved in the scam payments. And with what I have seen and heard, I am satisfied that any detailed intervention from Monzo, at any stage of the scam, would be unlikely to have made any difference here or to have prevented Mr H's loss. I say this because, across the various interactions Mr H had with the banks involved, I can see that he was repeatedly given detailed warnings which applied specifically to the type of scam he was falling victim to, but he still continued to make payments to the scam.

For example, in August and September 2023, Mr H was told by Monzo and by another bank that they thought he was likely the victim of a scam, and had given him warnings specifically relating to cryptocurrency investment scams. There were then further interventions from Monzo, and another bank, in November 2023, which similarly gave detailed warnings about cryptocurrency investment scams. Mr H was also told at various points to check the FCA register for warnings, to read various articles and online resources regarding scams, and to carry out further checks on who he was paying.

So, given that Mr H did receive relevant, detailed, warnings, and was told directly on more than one occasion that he was very likely the victim of a scam, but continued to make payments, it is very difficult for me to say that any more detailed questioning or warnings from Monzo would have given us a different result.

Mr H's representative has suggested that the Banking Protocol should have been invoked here, given the amounts Mr H was sending. But Mr H certainly appeared to have listened to and understood the warnings he'd been given, the fact that he then went on to make more payments to the same payee would suggest that he had done further investigations and satisfied himself that all was as it should be, he gave no indication in the relevant calls that he hadn't understood the risk.

I do note that, near the end of the scam, Monzo told Mr H that one of the payees he was making payments to had been identified as someone involved in scams. Mr H's representative has suggested that no further payment to this individual should then have been allowed. But again, Monzo had told Mr H directly that this payee was a scam risk, and had provided him with a detailed explanation of cryptocurrency investment scams and what to look out for, but Mr H maintained a false story about why he was making these payments and that he personally knew the payee. He did then make more payments which appear to have been to someone with the same name as this payee, but they were to a different account to the one that Monzo had flagged, this seems to me to have been a clear attempt to circumvent Monzo's concerns, despite what he had been told about the payee.

I also note that Mr H does appear to have taken some steps to conceal exactly what he was doing, and how he had found out about it, from the various banks involved. It's not clear why he did this, as we don't have any records of his full conversations with the scammer, but it is another indication that Mr H was willing to go against the instructions and advice of the banks, and to do whatever he needed to in order to make these payments.

I don't doubt that Mr H was manipulated by the scammers, he sincerely believed he was talking to someone legitimate. However, what I need to consider here is whether Monzo could have done anything to prevent the loss. And with all this in mind, I think that, with any proportionate intervention from Monzo, it is more likely than not that Mr H would have continued to make the payments to the scam, either via his Monzo account or from his other bank accounts. So, I don't think Monzo could have prevented his loss. It follows that I won't be asking it to refund any of that loss to him.

I'm sorry to disappoint Mr H as I know that he has lost a significant amount of money. But bearing in mind all the circumstances of this case I cannot fairly say that Monzo should be responsible for that loss.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 April 2026.

Sophie Mitchell  
**Ombudsman**