

The complaint

Mr R complains that MONZO BANK LIMITED (“Monzo”) won’t refund the money he lost to an investment scam.

He is represented by a firm of solicitors. For simplicity I’ll refer to Mr R in this decision.

What happened

The background is known to both parties, so I will summarise only the key points.

Mr R says he was introduced to a crypto-investment after seeing an online advertisement that appeared to be endorsed by well-known public figures. He says he carried out research, generally found positive reviews, and was given access to an online platform that appeared legitimate and displayed apparent trading “profits” and “losses”.

Mr R was persuaded to invest. However, he says he realised he had been scammed when he was repeatedly asked to make further payments to withdraw funds. By that point, more than £16,000 had been sent from his new Monzo account to his account with a legitimate crypto-platform and then on to the scam. Some of this money was funded by personal loans from various lenders.

Mr R complained to Monzo, and the complaint was then referred to our service. Our Investigator didn’t uphold it. In short, the Investigator considered that Monzo should have intervened and provided warnings, but wasn’t persuaded that such intervention would have prevented the scam, given that Mr R was heavily under the scammer’s influence and what happened when other firms (“Bank L” and “Bank K”) intervened to find out more about the payments. As the complaint couldn’t be resolved, it’s been passed to me for 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.

Authorisation

Under the Payment Services Regulations 2017, a firm is generally required to execute authorised payment instructions without undue delay. It is not in dispute Mr R authorised the payments in question, so the starting position is that he is liable for them in the first instance.

Prevention

There are circumstances in which I would expect a firm to intervene to better understand the purpose of a payment – for example, where a payment appears particularly suspicious. And I agree there came a point at which Monzo ought to have stepped in, given the value of some transactions, the spending pattern, and the heightened risk associated with the type of

payee. It does not appear that Monzo did so – and this was arguably a failing on its part.

However, a finding that Monzo should have done more is not sufficient, by itself, for me to uphold this complaint. I would still need to be satisfied that proportionate interventions were likely to have been effective in preventing the scam. On the evidence, I'm not persuaded that this is the more likely scenario, for the reasons below.

Mr R gave misleading responses when questioned by his other banks, Bank K and Bank L. When Bank L first intervened on 20 January 2025, Mr R said he wanted to transfer funds to his Bank K account. He confirmed he had not received suspicious calls or messages and that he had not been told to open the Bank K account. As the funds had come from a loan, he also confirmed no one had asked him to take out the loan and that the money was intended for house renovations.

In a call with Bank L, on 24 January 2025, Mr R said he had opened the Bank K account to keep money separate for the building work and provided details of the work planned. A similar conversation took place later that day, during which Mr R again said the payments were for renovation work. When asked why he had opened the Bank K account, he said he also intended to use it for travelling. During that conversation, it was explained to Mr R that the checks were to help prevent him from falling victim to a scam. He confirmed he had not been contacted by anyone, had not been asked to mislead the bank, and had not been asked to move the money for any reason other than those he had described.

When Bank K intervened on 31 January 2025, Mr R said he was transferring money to his Bank L account to pay for home improvements to be carried out over the following months. He also confirmed he had opened the Bank K account for savings and day-to-day use.

I'm aware of the value of timely and proportionate interventions. I realise that Monzo would have had a different set of information available to it when assessing risk. And I'm mindful that, had Monzo intervened, it would have identified that Mr R was paying a crypto platform – so the explanation of home renovations, for example, would likely have appeared unusual.

At the same time, the scam chat shows Mr R had been in contact with the scammer for some time, since at least November 2024, so the relationship wasn't new by February 2025. It's also clear, from the scam chat available, that calls were held with the scammer, that Mr R was reverting to them for guidance in order to continue making payments, and was prepared to follow their instructions, including taking out loans and opening new accounts.

We know the Monzo account was opened for the purpose of the scam, after Bank K (also opened for the purpose of the scam) had stopped payments to cryptocurrency. I also note that, on 30 January 2025, when Mr R asked what would happen if opening the Monzo account was unsuccessful, the scammer replied, "we just use another bank". And on 3 February 2025, Mr R wrote, "the Monzo bank account is all set and I did look at another crypto-friendly bank app...and that one is all set up just in case". He then followed the scammer's instructions to make smaller payments from Monzo so as to avoid detection.

I agree with the Investigator that Mr R was heavily under the scammer's influence. While I understand Mr R's point that there came a time when he started to develop some concerns, I think it's significant that he continued to borrow and make payments despite apparent scam concerns raised by family members. And, taking everything into account, I haven't seen enough to persuade me that, had Monzo intervened, Mr R would have been unlikely to find a way around the truth or to use other accounts (given a backup one had apparently already been set up) in order to continue making payments if necessary.

I recognise that Mr R was a victim in all this. And I'm very sorry that he lost money in the way

he did. However, as noted above, I can only hold Monzo responsible for his losses (in whole or in part) if I'm satisfied that proportionate steps on its part were likely to have prevented them. For the reasons I've explained, I do not think that was the case here.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 May 2026.

Thomas Cardia
Ombudsman