

## **The complaint**

Miss C, through a representative, complains that MONZO BANK LIMITED (“Monzo”) have failed to refund money that she lost due to scams.

## **What happened**

The circumstances of the matter are well known to both parties so I will not go into too much detail as to what happened.

But in summary, from what I can see Miss C was the victim of a series of scams between April 2024 and May 2025. These look to be an original investment scam and a number of recovery scams. There were around 100 payments totalling over £20,000.

Miss C raised a complaint, via a representative, with Monzo, as she believed that Monzo should have stopped her from making the payments in question.

One of our investigators looked into this matter and they decided that had Monzo intervened it would likely not have stopped the scam.

Miss C, did not agree with this and therefore her complaint was passed to me to issue a final 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.

In this decision, I’ll concentrate my comments on what I think is relevant. If I don’t comment on a specific point, it’s not because I’ve failed to consider it, but because I don’t think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.

In broad terms, the starting position at law is banks are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Monzo should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment

- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this instance it is clear that Monzo should have intervened more than it did. It should have asked questions about the payments that were made and provided warnings based on the answers provided.

I have carefully considered what would have likely happened had Monzo carried out appropriate interventions. But, on balance, I don't think that this would have stopped any of the scams. Let me explain why.

I note that the scammer coached Miss C on what to say when she was asked questions during the scam by a different current account provider that she had an account with. Given this, I find it more likely than not that, if Monzo had asked questions about the payments, I think that the scammers would have coached her on what to say as well. This means it would have been unlikely that she would have provided Monzo with accurate information had it asked about the payments, which may have prevented it from uncovering the scam or providing a relevant warning.

I also can see Miss C continued to make payments to the various scams, despite seeming to be aware that she had been scammed. She even raised a complaint to Monzo via a different representative about what looks to have been the first scam. Yet despite this, for reasons that aren't clear to me, she continued to trust the scammer and seems to have even been persuaded to not pursue that complaint further as the scammer said he was a better option to recover her funds. This suggests that had Monzo intervened and highlighted that she may have been being scammed or provided a warning setting out the common features of crypto scams, the scammer would have probably been able to persuade her that he was legitimate.

This is further evidenced by the fact that Miss C said repeatedly in the chats with the scammer that she had been warned by friends and family that she was being scammed and despite this she seemingly trusted the scammer more and carried on sending payments to the scammer.

I also believe that had Monzo blocked the payments entirely she would likely have sent the funds via other means to the scammer as she seems to have been completely under their spell. This is shown by Miss C and the scammer discussing alternative payments methods when she was having difficulty making the payments.

I've also thought about whether Monzo did enough to attempt to recover the money Miss C lost.

In this instance, the debit card payments could potentially have been recovered by a chargeback. But in this case, a chargeback would not have been successful, as the transactions Miss C used her debit card for was to pay for the purchase of cryptocurrency, which she duly received. It was only when the cryptocurrency was transferred from her crypto wallet to the scammer did the loss then occur. So, she could not claim that she did not receive the goods or services paid for from her Monzo account, which was either transferring funds to the crypto exchange or the purchase of the cryptocurrency. As a result, I don't think Monzo have acted unreasonably by failing to pursue a chargeback claim here.

I also don't think that either reimbursement scheme applies, as the payments were made by card which is not covered by the schemes and in any event they were made to crypto accounts in Miss C's own name, which again are not covered.

I appreciate this will come as a disappointment to Miss C, and I'm sorry to hear she has been the victim of a number of cruel scams, again. However, given Miss C's willingness to send money to the scammer, even when she'd had doubts herself about whether it was a scam and had also been warned by friends and family that she was being scammed, I don't think she would've listened to any intervention from Monzo. So I'm not persuaded that Monzo can fairly or reasonably be held liable for her loss in these circumstances.

### **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 Miss C to accept or reject my decision before 22 May 2026.

Charlie Newton  
**Ombudsman**