

The complaint

Mr T complains that Monzo Bank Ltd (as the recipient bank) didn't do enough to prevent the loss he suffered when he was the victim of a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. Mr T says that in June 2024 he sent a payment of €29,715 (from his account with a bank outside the UK) to an account held with Monzo. At the time he believed this to be in furtherance of a legitimate investment. But he later learned that he'd been a victim of a scam.

Mr T complained to Monzo who didn't offer any redress and the matter was referred to our service. One of our Investigators considered the complaint and didn't recommend it should be upheld. She wasn't persuaded that Monzo could fairly be said to be responsible for the loss. Mr T disagreed and asked for an Ombudsman to review the complaint. With a view to resolving matters quickly and informally I wrote to Mr T setting out my thoughts. A copy of what I sent was also shared with Monzo. I said:

"Essentially, I don't think our Investigator has reached the wrong outcome here. I know this will be disappointing for you, so I'll explain why.

Firstly, I accept that you've been the victim of a scam and I'm genuinely sorry to hear of the losses you've suffered. But, just because you've been a victim of crime, this doesn't automatically entitle you to a refund from Monzo. In the circumstances of this complaint, you weren't a customer of Monzo neither did you have a contractual relationship with them. As such Monzo didn't owe you a duty of care. That being said, if Monzo have failed in relation to the recipient account, then it might be appropriate for me to make an award. However, this would require both that Monzo had failed in some way and also that, but for that failure, you wouldn't have suffered the losses you have. Without a direct causal link between any act or omission by Monzo and your loss, I couldn't fairly make an award.

I agree with our Investigator that Monzo conducted appropriate checks and saw appropriate identity documentation when opening the account you paid. I don't think they reasonably could've known at the time that the account they were opening, would later go on to be used in connection with a fraud or scam. Similarly, the evidence supports that Monzo were monitoring the account as they were required to. I've noted your comments about how detailed you believe this should've been. But Monzo aren't required to audit or oversee the business operations of their customers. And aside from your payment, which I'll come to below, there isn't any evidence to support that other payments into the account were linked to a fraud or scam. Monzo aren't required to intervene in legitimate payments, and I can't therefore say they've failed in their account monitoring obligations.

But even if I'm wrong with what I've said above and I were to accept that Monzo either shouldn't have opened the account or should've intervened and closed it before your payment into it, this wouldn't change my mind as to the outcome of the complaint. Your own evidence supports that those behind this scam had access to multiple bank accounts across

Europe. Indeed, you've said you made payments to other accounts as part of the same overall scam. So, even if Monzo had closed the account on the basis of it being outside their risk appetite, it's more likely than not that you would've instead have been directed to pay other accounts, as you had previously, and that you wouldn't have ended up in a meaningfully different position. I also note you made several points about the KYC checks Monzo conducted, but I don't feel I need to address these, for the reasons I've set out... Even if there were failures in either KYC checks or account monitoring (for clarity, I'm not finding there were), I'm not persuaded this would've impacted your loss.

Similarly, due to the way in which the scam worked, you were tricked into putting down the correct entity as the recipient of your payments. So when it arrived in the Monzo account, it would've had the appearance of being intended for the accountholder. The evidence also supports that the accountholder would engage with Monzo and answer questions about account activity (when asked). So in the absence of any reports of fraud or similar, Monzo wouldn't have had any basis to doubt what they accountholder more likely than not would've said (if questioned) about your payment. There was also no urgency to move the money on (as is commonly seen with scam payments). So I don't think there was a failure here either which could be said to have caused your loss.

I appreciate that the scam involved a cloned FCA firm and that a warning was later published. But there would've been nothing to link that to this Monzo account at the time, so I don't think this is a basis upon which I could expect more from them.

The account was also closed with a zero balance (at the accountholders request) before Monzo were on notice of the problem with your payment. So, I don't think there was anything more they reasonably could've done to help at that point. As I said at the start, I'm sorry to hear you've been a victim in the way you have. But as I don't think this is something Monzo are responsible for, there isn't a reasonable basis upon which I could require them to do more to resolve this complaint..."

Monzo didn't respond. Mr T made some further comments which I'll address below and asked that I 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.

I've also thought about all Mr T's further comments in response to my recent communication. But I'm not minded to deviate from the outcome I've previously explained. Mr T believes that it is speculative for me to say that if the Monzo account wasn't available to the scammers to use, he would've more likely than not have been directed to pay another account and would've suffered the same loss. He says that the same fraud network used another account based in Lithuania into which he also transferred money. He says he's been told his money will be returned from that account and has provided some evidence which he says supports this.

Firstly, I'm not sure the evidence that Mr T will recover his money from one of the recipient banks is as strong as he states. The first document was from a payment processor saying they had no authority to debit their customers account at their own discretion and recommending that Mr T contact law enforcement to initiate an investigation and submit a formal request for recovery of funds. I note that they did say that this account was closed in June 2024 and that the account was reported to the relevant authorities. The second document appears to be from the Financial Crime Investigation Service in Lithuania and says: "...the Service is not authorized to investigate within its competence. We believe that

once the law enforcement authorities of your country establish a possible criminal offence and initiate criminal proceedings, they may, in accordance with the procedure established by law, apply to the law enforcement authorities of the Republic of Lithuania with a request for legal assistance in criminal matters in order to obtain and provide information relevant to the investigation. Furthermore, in accordance with legal procedures, after all circumstances have been examined and assessed, the funds frozen by [W] will be returned to you.” I don't agree that this inevitably means Mr T will recover all the funds he paid that account as he suggests.

Mr T also made another payment to a third bank which he accepts didn't result in any recovery. Ultimately, I'm not persuaded that there is a direct link between any alleged failures by Monzo and the outstanding loss. And as I set out above, that is what would be required for me to fairly make an award in the circumstances of this complaint. The evidence supports that the scammers had access to multiple accounts across Europe and that Mr T was willing to send money to different accounts when asked to do so. To say that if the Monzo account had been closed sooner, the loss would've been prevented on the basis of a later recovery following law enforcement investigating and recovering those funds is too far removed and dependent on too many external factors for me to fairly use it as the basis to make a direction. It relies on the actions of too many third parties, along with the assumption that funds wouldn't have been spent / moved on (as is common in scam cases) and that they would've remained available for recovery. I don't think Monzo ought to have concluded the account they were providing was being used in connection with a scam based on any of the information gathered at account opening or the activity on it. As I've said above, the only report of fraud they received was in relation to Mr T's payment, indicating most of the activity wasn't linked to a scam.

I understand why Mr T wants to do all he can to try to recover his loss. But for all the reasons I've set out above, I'm just not persuaded that there were any failures by Monzo which could fairly be said to be causal to the loss he is claiming from them. It follows that there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 20 May 2026.

Richard Annandale
Ombudsman