

The complaint

Mr W – who has a representative – complains Monzo Bank Ltd didn't do enough to protect him when he fell victim to an investment scam.

What happened

Mr W has a current account with Monzo which he opened in late 2019. He's a company director and at the time of this scam was living abroad.

Mr W says he received a message from an acquaintance on a well-known social media platform telling him about an investment opportunity with a particular company. He says his acquaintance sent him screenshots of their investment showing how much profit they were making. Mr W says he was impressed and wanted to invest too, and that the investment appeared to be legitimate as it had been shared with him by an acquaintance. He says he was added to a group of people on another platform who were investing with the same company and, having observed that group for a week, he started opening a number of cryptocurrency wallets with a view to investing. He was, in fact, dealing with a scammer.

Mr W says he was told his money would double every 22 days and that he'd earn 3.2% interest a day. He says he was also told that UK banks don't like their customers investing elsewhere – they prefer people to leave their money sitting in savings accounts earning little or no interest – and to bear this in mind in the event that his bank questioned any of the transactions he did.

Mr W says he made a total of 21 payments to his cryptocurrency wallets from his Monzo account between November 2021 and May 2022.

In May 2022 Mr W says he was told he had around £250,000 in profits, but that he was unable to withdraw them when he tried to do so. Mr W says his acquaintance contacted him shortly afterwards to say that they'd lost all of their money and to suggest he check the same hadn't happened to him. Mr W says the website that had the trading platform he'd been using was taken down shortly afterwards, that the people he'd been talking to stop replying to him and that the group he'd been added to was also taken down. He says he realised he'd been scammed at this point.

Mr W contacted Monzo in September 2022 to say he'd been scammed and to ask for help. Monzo says it asked Mr W for more information about the scam – and did so several times – so that it could investigate his claim. Monzo says that despite several reminders, Mr W never sent all of the information it asked for. So, it closed his claim having checked that none of his funds remained. Mr W complained about Monzo's response, and then complained to our service.

One of our investigators looked into Mr W's complaint and said that they thought a £10,000 payment he'd made on 2 November 2021 was sufficiently unusual to warrant human intervention by Monzo. Our investigator didn't, however, think that Mr W would have told Monzo the true purpose of the payments had it intervened, and that he would have gone ahead with the payment in any event. So, they didn't recommend that Mr W's complaint be

upheld as they didn't think Monzo missed an opportunity to prevent a loss here.

Mr W's representative disagreed with our investigator saying that Monzo was responsible for ensuring Mr W wasn't falling victim to any financial harm and the payments he was making should have alerted Monzo to the fact that Mr W was at risk. Mr W's representatives said that Mr W was making extremely large payments and sometimes multiple payments in one day. Mr W's complaint was referred to an ombudsman for a decision and passed to me.

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 can see that Mr W made over 20 payments to three different cryptocurrency exchanges between November 2021 and May 2022 and that many of these payments were large. The cryptocurrency he bought was likely sent to a trading platform which was designed to give the appearance that Mr W was making good money. But was likely a scam.

I agree with our investigator that when Mr W tried to send £10,000 to a new payee – one of the three cryptocurrency exchanges he was making payments to – that Monzo should have done more. However, even if Monzo had done more, I agree with our investigator that it's unlikely it would have made a difference. I'll explain why.

Mr W provided Monzo with very little information when he originally said he'd been scammed, but one thing he did say when he was asked to explain why he wasn't able to read Monzo's in-app warnings was "*I honestly didn't see them – sorry*". He's also told us that he genuinely believed that this was a legitimate investment opportunity – because an acquaintance of his had shared it with him and he's been added to a group who had only positive things to say – and that he'd been warned not to say what the purpose of the payments was because "*UK banks don't like their customers investing elsewhere*". I can see that Mr W followed – or appeared to follow – this instruction when he was given an in-app warning as he told Monzo the purpose of the payment was "*something else*" rather than "*investment*". Mr W also went ahead despite the investment returns "*being too good to be true*" – which again the in-app warning pointed out was a red flag.

Given everything I've just said, I agree with our investigator it wouldn't have made a difference even if Monzo had intervened further as I'm satisfied that Mr W:

- wouldn't have been open about what he was doing; and
- would have gone ahead in any event.

In the circumstances, I agree that Monzo didn't miss an opportunity to prevent further loss to Mr W. Because of that, this isn't a complaint I can uphold.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 April 2024.

Nicolas Atkinson
Ombudsman