

Complaint

Miss F is unhappy that Monzo Bank Ltd recorded a Cifas marker against her name.

Background

Miss F has an account with Monzo. In January 2021, Monzo received two reports from other banks. These reports claimed that funds paid into Miss F's account had been obtained fraudulently. Monzo was concerned by those reports and the fact that the funds appeared to have been moved out of her account so quickly after they'd been received. Monzo promptly closed Miss F's account and loaded a Cifas marker against her name.

Miss F complained, but Monzo didn't provide her with an explanation for its decision. She brought a complaint to this service and it was allocated to an Investigator. The Investigator didn't think Monzo should've loaded a Cifas marker without first giving Miss F the opportunity to explain the origin of the funds. She told the Investigator that there were multiple payments from her Monzo account during that period that she didn't make. She said that, whoever had made those payments, must have been responsible for the movement of the fraudulent funds out of her account.

Miss F told us that she'd shared personal information with various individuals on social media and that she thinks this might have enabled a third-party to gain control of the account. She also speculated that she might have clicked a link in a fraudulent email or text message that could've allowed someone to take over her account.

Monzo didn't agree with the Investigator's opinion. It said that it had enough evidence to support the Cifas loading without asking Miss F about the origins of the money. It pointed out that the payments moving the fraudulent funds out of Miss F's account had been authorised using the Monzo app on her phone, and she hadn't said that she'd lost her phone or allowed someone else to use it.

Because Monzo disagreed with the investigator's opinion, the complaint was passed to me to consider. I emailed Miss F to explain that I intended to come to a different outcome to that reached by the investigator for substantially the same reasons as I've detailed in the Findings section of this decision. She didn't respond to my email and so I've proceeded to consider the complaint and issue a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The question I must consider here is whether Monzo acted fairly and reasonably in loading a marker with Cifas. The National Fraud Database Principles set a high standard that a firm must meet if it wants to load adverse information against a customer's name. It says that it in order to do so:

"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted ... [and] ... The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police."

The onus is on Monzo to demonstrate that this standard has been met. I've considered the evidence provided by both sides and I'm satisfied that it has done so here. Miss F has said that, even though these funds were paid out of her account, it wasn't her that authorised those payments but an unknown third party. I can't know for certain what happened here and so I must decide this case on the balance of probabilities. And I'm persuaded that the weight of the evidence justifies Monzo's decision to load a Cifas marker.

Monzo has sent us evidence that shows that these payments from Miss F's account were authorised using a mobile app. Every handset that has been connected with the account has been assigned a unique "*fingerprint*" and Monzo has showed us records demonstrating that two devices have been connected with the account and that the device changed in October 2020. That means that the device that was used to authorise the payments in January 2021 was the same device Miss F had used from October 2020 onwards.

In addition to that, Monzo has provided evidence that shows Miss F's banking app sent her push notifications when the funds were paid into the account. The app was accessed almost immediately after those notifications were displayed on her device and a card payment to a third-party for the same value was then made almost immediately afterwards.

There's no clear way that someone could've made these payments without having access to Miss F's phone. And Miss F has been very clear that she didn't lose her phone or hand it over to someone else. She said that her partner might have occasional access to her phone, but that would never be without her oversight.

Miss F hasn't been able to explain how a third party could've accessed her account in this way. She has said that she thinks she might have shared her account details with somebody else on social media or that she might have accidentally clicked a link in a message sent to her from a scammer. However, neither of these things would've allowed a third party to take control of her Monzo account.

Overall, I'm satisfied that the evidence supports Monzo's decision to load a Cifas marker and so I don't think it would be fair and reasonable for it to be removed.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 16 March 2022.

James Kimmitt
Ombudsman