

## **The complaint**

Mr C complains that Monzo Bank Ltd unfairly closed his account and believes that he was discriminated against.

## **What happened**

Mr C opened a new account with Monzo and received several payments into it, all from different accounts. Monzo received information about one of the accounts that the funds were the result of fraud. Monzo reviewed the account and informed Mr C that it was to be closed.

Monzo registered a marker about Mr C with CIFAS - a fraud prevention agency. Mr C was unhappy with the decision to close his account and complained to Monzo about its closure and the registration of a marker with CIFAS. Mr C also believed he was discriminated against by Monzo. Monzo looked into the complaint and didn't change their position.

Mr C brought his complaint to the Financial Ombudsman for an independent review where it was looked into by one of our investigators. Both parties were asked for information and Mr C explained that the money in his account was as the result of being involved with another person who was helping Mr C invest in crypto currency. Mr C didn't know the people who'd sent him funds, but he believed it was all linked to the crypto investing. Mr C sent in screenshots of messages with this person.

Monzo supplied evidence that some of the funds received by Mr C were the result of fraud and believed that the operation of the account, which had only been open for about a week, was indicative of suspicious activity. Monzo denied discriminating against Mr C.

Our investigator thought overall that Mr C was an innocent party in the movement of these funds, but thought it was reasonable for Monzo to close the account. Our investigator didn't find any evidence of discrimination. Monzo were asked to remove the marker with CIFAS and pay £200 to Mr C.

Monzo agreed to remove the marker and pay Mr C £200. Mr C accepted the outcome, the marker was removed, and the payment made shortly after.

A few months later, Mr C asked for the complaint to be reviewed by an Ombudsman because he believed he'd been discriminated against. Mr C also believed the CIFAS marker hadn't been removed and this was preventing him from opening accounts and the cause of other accounts being closed. Mr C's complaint has now been passed to me for a 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.

After Mr C accepted the original outcome, he asked for a further review because he believed the actions against him were caused by discrimination. Mr C believes it's his non - English sounding surname that caused Monzo to act differently towards him.

Race – which includes nationality and ethnic or national origins is a protected characteristic within the Equality Act 2010. Alleged breaches of the Act are a matter for the courts to determine – and so I cannot make a finding on whether or not Monzo has acted unlawfully in discriminating against Mr C on the basis of a protected characteristic. But I can consider whether Mr C was treated in a fair and reasonable manner and whether I think he was treated differently to other customers.

Monzo received a report from another bank that funds received into his account were from a fraudulent source. The account had been open about a week and had received several transfers from different accounts. Those funds had been immediately transferred by Mr C to either a crypto currency merchant or another account belonging to Mr C. Monzo reviewed the operation of the account and noted characteristics about it that led them to believe Mr C was involved in the movement of fraudulent funds.

In order to lodge a marker with CIFAS, Monzo had to meet specific standards. The relevant ones are that there was evidence of fraud and they had sufficient information with which they could confidently report the matter to the police.

Having examined Monzo's evidence and the assessment they made at the time, I think they met both of these requirements and it was reasonable for them to lodge the marker against Mr C. Monzo later agreed that they'd remove it based on the opinion of our investigator, who thought Mr C was an innocent victim.

I've not found any evidence that Monzo made their decision based on anything other than the activity on Mr C's account. And it's consistent with how they've responded to similar concerns elsewhere, so I'm satisfied that they've not treated Mr C any differently than they would any other customer.

#### *Account closure*

Both Mr C and Monzo can choose to end their relationship with each other. The process is laid out in the terms and conditions that Mr C agreed to when he opened the account. In this case, Monzo issued an immediate closure notice, which is permitted within the terms of the account if Monzo believe Mr C broke or attempted to break the law. From the evidence I've examined, I think Monzo's decision to immediately end their relationship with Mr C was a reasonable one.

#### *CIFAS Removal*

Mr C believed the marker wasn't removed from CIFAS, so I specifically requested Monzo to tell me when it was done. They confirmed it was removed at the same time the payment of £200 was paid to him in August 2021. Monzo have since checked with CIFAS and couldn't see any marker related to Mr C. Although I appreciate Mr C believed the marker was still causing him problems – the evidence indicates it was removed some time ago.

Monzo paid Mr C £200 based on the recommendation of our investigator, which Mr C accepted at the time. I think the removal of the marker and the payment of £200 was a reasonable way for Monzo to deal with Mr C's complaint and I won't be asking them to do anything more.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 June 2022.

David Perry  
**Ombudsman**