

The complaint

Mr B complains that Monzo Bank Ltd loaded a marker against him on the National Fraud Database. He'd like the marker removed and compensation for the impact on him.

What happened

Mr B had a bank account with Monzo.

On 22 April 2021 Mr B received a transfer of £50 into his account. Soon after the money was received, Mr B withdraw £100 from his account.

In April 2021 Monzo received notification that the funds were fraudulent. The third party, I'll call Mr A, explained they'd been discussing purchasing a car, and they were asked to pay a £50 deposit to secure it. On agreeing to pay the funds, they were provided with Mr B's bank account details – and transferred the funds over.

Mr A advised Monzo that once they'd paid the £50 deposit they couldn't get hold of the seller – so reported they'd been the victim of a scam to Monzo. Mr A also provided a copy of screenshots to Monzo showing a conversation between him and the seller.

After receiving the report of fraud, Monzo reviewed Mr A's account, closed it and loaded a marker against him on the National Fraud Database.

Mr B contacted Monzo to complain about the loading of the marker. Monzo looked into Mr B's complaint, but didn't uphold it. Mr B explained that he regularly sold digital coins via a social media platform, and on occasions buyers advised their banks that they didn't receive the coins – which wasn't true. And therefore his bank had received chargeback requests. He explained that another bank he was a customer of loaded a marker against him – but after he'd told them what happened they agreed to remove it.

Mr B wasn't happy with Monzo's response, so complained to our service. He explained that the loading of the marker prevented him opening a non-fee paying bank account, caused him financial difficulties, and impacted on his mental health.

One of our investigator's looked into Mr B's complaint. They asked him more questions about the funds coming into his account on 22 April 2021 – and Mr B explained they were through the selling of digital coins. He provided screenshots showing conversations between him and the buyer – and said he didn't know why the payment was referenced 'car' or why the buyer was saying he paid the money for a deposit.

Our investigator looked into Mr B's complaint but didn't uphold it. They looked at the evidence provided by both parties, but thought there were some inconsistencies in the evidence Mr B provided. Including the date on the screenshots. And therefore thought, on balance, Mr B was complicit in the fraud. And Monzo had acted fairly in loading the marker.

Mr B didn't agree, so it's been passed to me to decide.

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.

Our investigator's given a comprehensive explanation of the requirements Monzo need to meet to load a marker on the National Fraud Database – so I won't repeat this.

However, I'll reinforce the key points Monzo need to demonstrate in meeting the standard required.

Firstly, Monzo need to show that fraudulent funds were received or an attempt was made to transfer them into Mr B's account. And secondly that Mr B had knowledge that the funds were fraudulent – so was *complicit* in receiving the funds.

Having looked at the evidence provided by both parties I'm satisfied that Monzo acted fairly in loading the marker against Mr B. I say this because:

- I've seen evidence from Monzo showing that £50 was received on 22 April 2021 into Mr B's account – and this was reported as fraud.
- Monzo have supplied screenshots provided by Mr A which show he agreed to pay £50 for a car deposit, the account details provided were for Mr B's account and the £50 Mr B received had the reference 'car'.
- There were a significant number of mobile app log ins for Mr B's account in the 30 minutes before the money was transferred in. And the funds were withdrawn within an hour on the same day after being deposited. This is what I'd expect to see if Mr B was expecting to receive fraudulent funds.
- Mr B's provided evidence that he sold digital coins via a social media platform – and that's why he received a payment of £50. I've looked at the evidence Mr B's provided, and I agree it does show a conversation between Mr B and a third party discussing the purchase of digital coins. Mr B initially provided screenshots which didn't have a date, and on providing the screenshots for a second occasion the image appears exactly the same, but with the date at the top. I find it surprising that the date wasn't present on the first message – but appeared on the second one.

For the reasons I've outlined above I'm satisfied that Monzo have provided sufficient evidence to show that fraudulent funds were received into Mr B's account. And I'm not satisfied that the evidence Mr B's provided shows the fraud *didn't* take place or he *wasn't* complicit in it. Therefore I think Monzo have met the burden of proof to load a marker on the National Fraud Database, and I won't be asking them to do anything further here.

My final decision

My final decision is I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 April 2022.

Jeff Burch
Ombudsman