

The complaint

Mr N complains that Monzo Bank Ltd closed his bank account and loaded a negative fraud marker against him. He'd like the marker removed and compensation for the impact on him.

What happened

Mr N had an account with Monzo.

On 13 February 2021 Mr N received a payment of £20 into his account

Monzo received a fraud report from a third party bank notifying them the payment was received as part of a scam. They made the decision to close Mr N's bank account and load a fraud marker for misuse of facility against his name.

Mr N complained about the account closure and on reviewing their actions Monzo decided to re-open his account, and pay £60 compensation.

After receiving a further fraud report on 31 July 2021 Monzo decided to close Mr N's account.

Mr N complained to Monzo about the closure of his account and the balance. He also thought they'd loaded a negative fraud marker against his name.

On 23 August 2021 Mr N's funds were returned to him.

Monzo looked into Mr N's complaint. Monzo paid Mr N £25 for the delay in looking at his complaint, but concluded they'd acted fairly in closing his account and loading the negative fraud marker.

Mr N didn't accept Monzo's response so brought his complaint to our service. He explained that he was unable to open a bank account or get paid and he was concerned about the negative impact on his credit rating.

One of our investigator's looked into Mr N's complaint but didn't uphold it. He asked Mr N about the £20 he received on 13 February 2021. Mr N explained that he listed a computer console for online sale, but after receiving payment he decided not to sell the item. Mr N advised that he repaid the buyer on 15 February 2021.

After reviewing the evidence our investigator thought that Monzo met the burden of proof to load a fraud marker. And they'd acted fairly in closing his account.

Mr N responded to ask if he provided evidence the money was repaid would the investigator reconsider the outcome. Mr N then provided evidence which he advised showed he'd repaid the buyer on 15 February 2021. However, our investigator didn't change their opinion – so it's 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.

Our investigator outlined the standard required to load a fraud marker in their view. In summary Monzo need to show that Mr N was *complicit* in receiving fraudulent funds into his account.

Firstly I've considered if Mr N received fraudulent funds into his account. I've seen a fraud report Monzo received in February 2021 regarding a credit of £20 on 13 February 2021. So, I'm satisfied Monzo have met this expectation.

I've moved on to consider whether the evidence shows Mr N was *complicit* in receiving the fraudulent funds. I understand he'll be disappointed in my conclusion but I'm satisfied Mr N was likely complicit in the fraud. I say this because:

- Mr N's advised he listed his computer console online, however he's been unable to provide evidence to show this.
- Mr N explained he repaid the buyer on 15 February 2021. And he's provided a screenshot from his account with a third party payment processor, I'll call P, which he advises shows this. I've reviewed the evidence, and contacted P, and having done so I'm satisfied it doesn't show Mr N refunded the buyer as he advised.

It follows, as I'm satisfied Mr N was complicit in the fraud, I think Monzo met the terms and conditions of his account – and acted fairly – in closing his account in July 2021.

For the reasons I've outlined above I won't be asking Monzo to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 19 December 2022.

Jeff Burch
Ombudsman