

## **The complaint**

Miss A complains that Monzo closed her account and registered a Cifas marker against her without due cause.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not repeat every detail here. But in summary, in April 2021, a payment was sent to Miss A's account totalling £500. On the same day, after the payment was received, two payments left Miss A's account and were sent to a money remittance account she held for approximately £450, and to an online merchant for approximately £40. There were also online banking logins before and after the payment came into her account. The sending bank later reported to Monzo that their customer had notified them that the payment was sent as the result of a scam. Monzo took the decision to close Miss A's account and to register a Cifas fraud prevention marker against her name.

Miss A said that she was not aware of the payment that came into her account, and she did not know the sender. She said she likely made the payment to the money remittance service as she used it to send money to her daughter abroad. She said alternatively it could have been her then-partner who sent the payment as he had access to her phone and he knew the code to get into it, so he could get into her Monzo application. The transfer through her money remittance account also appeared to have gone to a friend of her ex-partner, who she had lost touch with since they broke up. She denied any involvement in any scams. Miss A was asked if she had any further information and details of the extent of her partner's use of her account, she said she had nothing further to add.

Miss A said she found out about the Cifas marker after being rejected for an account with another bank. She complained to Monzo, who declined to remove the marker. They explained this was because they received the report of fraudulent funds coming into her account, and following on from this they had correctly followed their procedures and adhered to their regulatory obligations.

Miss A was unhappy with Monzo's response to her complaint, so she brought her complaint to our service. Our investigator looked into what happened and did not recommend that Miss A's complaint be upheld. This is because they felt it was most likely Miss A had authorised the activity on her account, and therefore must have known about the funds that came into her account at the time. So, they thought that Monzo had met their evidential burden such as to register Miss A with Cifas. Miss A remained unhappy with the outcome. She said that she understood our investigator's decision and agreed with it. She explained she wanted to be honest with our investigator about the situation, and said that she had been desperate as she had been out of work for three months and 'he' said she could keep some money if she received funds and sent them on via the money remittance service on his behalf. She said she did not know they were fraudulent funds as she did not know he was involved in fraud.

Our investigator reviewed Miss A's change in testimony, but said it did not change their opinion as they were not persuaded that she was unaware of the funds that came into her account, nor that she had not consented to the payments out of the account. They thought that Miss A was aware that the payment was not legitimate, and that her account was used for fraudulent activity, so they remained of the opinion that Monzo had acted fairly and

reasonably in the circumstances. Miss A remained unhappy, so the complaint has 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.

Having done so, I have reached the same conclusion as our investigator, and broadly for the same reasons.

The type of Cifas marker that Monzo asked Cifas to apply here is for 'misuse of facility' – relating to the account being used to receive and send on fraudulent funds. In order to file such a marker, Monzo are not required to prove beyond reasonable doubt that Miss A is guilty of a fraud or financial crime, but they must show that there are grounds for more than mere suspicion or concern that such an offence took place. Cifas guidance said:

- *“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.”*

So, the relevant findings for me to make are whether I believe there is sufficient evidence to conclude that on balance, the money sent to Miss M was as the result of a fraud, and that she was deliberately dishonest in relation to this, such that Monzo fairly and reasonably escalated their concerns to Cifas. I do think that Monzo were entitled to do so, I will explain why.

It is not in dispute that Miss A's account was used to receive and send on fraudulent funds. The sending account holder complained that they were tricked into sending the funds as the result of a scam. Miss A denies any knowledge of this, but she does not refute that this happened nor does she claim to have had any legitimate claim to those funds. So what is left for me to decide is whether on balance I think that it is most likely that Miss A was involved in the receipt and sending on of these funds – and whether she was deliberately dishonest in her actions with regards to these funds. And I think it is most likely she was. I say this because:

- Miss A's original version of events was that she had no idea who sent the funds into the account, and that she had not been involved in this in any way. She was invited to give further details about her partner using her account, but she declined to do so at this time. She simply maintained that she was not responsible for receiving the fraudulent funds.
- I agree with our investigator's opinion that this story did not add up. This is because Miss A accepted she most likely made the £450 payment via the money remittance service, and because Monzo's technical evidence shows that Miss A was logged on after the payment came in. This showed that it was most likely she was aware of the funds coming into her account, as she would have seen them at this time. The funds were then sent on using another account in her name, and to a known third party.
- It was only after receiving our investigator's robust explanation for why her version of events did not appear to add up, that Miss A changed her testimony. She said that 'he' – who I assume refers to her partner – had said she could keep the change if she sent the funds on from her money remittance account. So it is clear she was expecting the funds and authorized the payments out of her account on the same day, after all. The 'change' came to roughly £50. So, from Miss A's own testimony it is clear that she did receive and send on fraudulent funds, and profit from doing so.
- Miss A denies that she was aware that they were fraudulent funds – so she implies

she was not deliberately dishonest in her actions relating to these funds. But on balance, I don't think that is the most likely scenario here. I say this because she has been consistent in her story until she received our investigator's view which clearly explained that there were holes in this story. It is unclear why she would not have been honest if she had nothing to hide. She was given the opportunity to give more detail on her partner's access to her account, and it seems that if he was the only one at fault here she could have explained this to our service sooner.

- Further, whilst it is not impossible, I find it highly unlikely that someone would allow another person to use their account in this way without asking further questions. It is unclear why the funds would have been sent from an account in a name she did not know, or why she got to keep £50 for simply sending funds on. She has said her partner's money remittance service account had been blocked – but this in and of itself would appear suspicious to a lot of people. So I think that it is most likely that either Miss A did know the funds were coming from illegitimate sources, or she chose not to ask questions about the provenance of these funds because she had suspicions that they were illegitimate – and I am afraid that either way this is enough for me to conclude that she was deliberately dishonest in regards to her actions around these funds. I am sorry to hear that she was in a difficult financial position at the time, but this is not an excuse for such a misuse of facility such that I can reasonably ask Monzo to remove the marker.

When considering all of this, I don't think either version of events that Miss A has given to this service are what most likely happened here. I am of the opinion that it is most likely that Miss A was complicit in the receiving of fraudulent payments. And she did not need to be aware of the exact provenance of the funds for me to make these findings, just that it was likely they were not legitimately come by. And so, it follows that Monzo have met the requirements to refer her to Cifas and I won't be asking them to do anything further.

### **My final decision**

My final decision is that I don't uphold Miss A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 December 2022.

Katherine Jones  
**Ombudsman**