

The complaint

Mr O complains Monzo Bank Ltd added his details to a fraud database.

What happened

Mr O received a payment into his Monzo account. Monzo was contacted by the sending bank and told the payment had been raised as fraudulent by the sender.

Monzo closed Mr O's account and held onto the credit balance for a couple of weeks before releasing it to another of Mr O's accounts. Mr O then found he couldn't open accounts at other banks and realised Monzo had added his details to a fraud database.

Mr O complained and Monzo responded to say it had reviewed its decision to add Mr O's details to the fraud database and couldn't see it had made an error. Monzo didn't agree to remove Mr O's details.

Mr O brought his complaint to this service and an investigator looked into things and didn't think Mr O's complaint should be upheld. The investigator was satisfied a payment to Mr O's account had been flagged as fraudulent.

Mr O told the investigator the payment was for the sale of shoes, but he couldn't prove this. The investigator asked for anything Mr O had to show he was selling things at this time, like messages from buyers, online adverts, invoices or postal receipts.

Mr O sent in a message confirming the sale of some perfume. Mr O said he had further evidence, a spreadsheet showing the sales, but didn't provide this. Mr O said the sale had taken place two years earlier and it wasn't reasonable for him to still have evidence.

Mr O asked for an ombudsman to decide things.

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.

For Monzo to load Mr O's details to a fraud database it needs to be satisfied Mr O received a fraudulent payment to his account, and Mr O was somehow complicit in the receipt of the money.

I've seen the message from the sending bank, I'm satisfied the person sending the money to Mr O raised the payment as fraudulent with their bank.

For me to be satisfied Mr O wasn't complicit in the receipt of this fraudulent payment, I'd want to see some proof of what the payment was for. Mr O didn't know the sender, so I'd expect Mr O to have some evidence about what the payment was for.

I'm sympathetic to the fact this happened two years ago, so I wouldn't expect Mr O to have every piece of information available to hand. But, despite Mr O saying he has lots of

evidence about payments he's received, he's only sent in one message from a buyer.

And this message is a recent one, Mr O's contacted the buyer two years after the payment. Mr O hasn't provided anything to show any sales, of anything, from two years ago.

I don't think it's unreasonable for Mr O to have something, emails or instant messages from the time, proof of postage or something to show Mr O was advertising the sales.

And the payment flagged as fraudulent Mr O received was £350. This was quite a large payment compared to most of the other payments Mr O received – and also a relatively expensive pair, or pairs, of shoes.

I'd expect Mr O to have something to show the original purchase of these shoes, messages about the sale and where to send them, and I'd imagine Mr O would insure the package. But Mr O has nothing to show this payment was legitimate, or anything else from the time to show he was selling items online.

It's clear Mr O has the details for buyers from two years ago, he was able to message one about the perfume purchase. It's odd Mr O has contact details for one buyer but hasn't been able to contact any of the others.

Since Monzo has shown the payment Mr O received was fraudulent, and Mr O has nothing to show the payment was legitimate, I think Mr O was somehow complicit in the fraudulent payment.

Because of this, I don't think Monzo needs to remove Mr O from the fraud database.

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 O to accept or reject my decision before 9 June 2023.

Chris Russ
Ombudsman