

The complaint

Mr G is unhappy that Monzo Bank Ltd placed a fraud marker against his name.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

Mr G held a bank account with Monzo. In February 2021, Monzo received a report from a third-party bank letting it know that Mr G's account had been in receipt of funds that were sent as a result of fraud.

Monzo reviewed Mr G's account and requested that he provide proof of entitlement for both the fraudulent transaction and another inbound payment the same day for the same amount. Mr G did respond stating that the payments were for the sale of electrical goods, but failed to provide any evidence to support this.

Monzo took the decision to close Mr G's account with immediate effect. It also loaded his details to Cifas: a fraud prevention database.

Mr G later realised the fraud marker had been recorded after his account with another bank closed. So, he contacted Monzo and complained as he wanted the marker removed. Monzo looked into Mr G's complaint but didn't agree it had made an error.

Mr G remained unhappy with Monzo's response, so he came to our service for an independent review. An Investigator considered the evidence provided by both parties but found that Monzo hadn't made an error. They concluded that Monzo had adhered the standards set out by Cifas to fairly load the marker.

Mr G disagreed with the Investigator's assessment, so the matter has now been passed to me for a final 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.

One of the relevant considerations here are set out by Cifas: the fraud marker database controller. In its Handbook—which members must adhere to when loading markers—it sets out the burden of proof the member must meet. The relevant standards applicable to this complaint are:

- That there are reasonable grounds to believe that a fraud or financial crime has been committed or attempted.
- That the evidence must be clear, relevant and rigorous such that the member [Monzo] could confidently report the conduct of the subject [Mr G] to the police.

These rules mean that Monzo must have more than mere suspicion when loading a marker against a person's name. It must have strong evidence to support that a financial crime has been committed or attempted and that the person to whom they are loading the marker against is likely to have had witting involvement.

I'm satisfied when considering all the circumstances of this complaint that the first of the above two standards has been met. Monzo had received a fraud report from a third-party bank that provided sufficient detail on how its customer had been defrauded. I'm unable to disclose the specific details of this fraud report, but I'm satisfied it demonstrates reasonable grounds that a fraud had been committed.

I'm also satisfied that Monzo has demonstrated it has adhered to the second of the two standards. Monzo followed Cifas guidance in asking Mr G to prove his entitlement to the funds that had entered his account. While Mr G did provide a reason for the payments, he had no evidence to support his testimony.

Our service has since provided Mr G with another opportunity to obtain evidence supporting his assertion that he received both payments from the sale of the same electrical goods, but Mr G has only provided two images: neither of which supports his case. The two images show no link to an account associated with Mr G, there are no communications with the buyers and, as Mr G states he delivered the items by hand, no proof of delivery.

I would like to assure Mr G that my findings above are not intended to accuse him of committing fraud or that he has misrepresented himself in any way. I'm merely highlighting that Monzo has been able to demonstrate that it fulfilled the criteria required by Cifas to load the fraud marker against his name. And for these reasons, it hasn't made an error here.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 June 2023.

Stephen Westlake
Ombudsman