

## **The complaint**

Miss A has complained Monzo Bank Ltd added a fraud-related marker in her name to the industry fraud database, CIFAS.

## **What happened**

In January 2021 Monzo closed Miss A's account. They'd been made aware her account had received funds that weren't hers in the amounts of £120 and £110. Both of these amounts were withdrawn at cash machines. Then 11 days later a further transaction of £110 credited Miss A's account and was also withdrawn.

Miss A had contacted Monzo on 20 December 2020 to make them aware of credits and withdrawals she didn't recognise. She also told them she'd got a call from someone saying they were Monzo, and she'd given away lots of her personal information, including her PIN and CVC. She also believed she'd lost her debit card just before this.

Monzo believed Miss A had lied to them. They closed her accounts and lodged a fraud marker with the industry fraud database, CIFAS.

Miss A subsequently found she was unable to open another bank account. She complained to Monzo. Monzo refused to remove the marker. They were satisfied Miss A had known what was going on and had potentially benefitted from the fraud.

Miss A brought her complaint to the ombudsman service.

Our investigator wouldn't ask Monzo to remove the CIFAS marker as he felt that Miss A had not provided sufficient evidence to show she hadn't been involved with what had happened. Miss A provided copies of chats with a friend who she told us had used her card and account. She was extremely angry that his action had led her to have a CIFAS marker lodged against her name which would remain on her record for six years and limit her ability to get work placements during her university career.

Still unhappy, Miss A asked an ombudsman to review her complaint.

I completed a provisional decision on 22 January 2024. I felt the evidence Miss A had shared with us was sufficient to show she'd not known what she was involved in. I asked Monzo to remove the CIFAS marker.

Miss A accepted this outcome. Monzo provided further evidence to show they believed Miss A had been complicit. This included details of Miss A's first fraud report to Monzo, as well as Miss A's regular logons to her app suggesting she was waiting for payments to arrive which were then rapidly disbursed.

I now have all I need to complete my 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.

Having done so, I've reached the same outcome as I did in my provisional decision. I'll explain why.

It is clear what the requirements are prior to lodging a fraud-related marker. Specifically:

*"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.*

*The evidence must be clear, relevant and rigorous."*

From what Monzo has provided to us I can see they were notified by another bank that their customers had been defrauded. Funds had been credited to Miss A's account. It's clear that this happened from reviewing Miss A's account and from what she has subsequently confirmed to us.

Miss A firstly told Monzo, and our service, that she'd been the victim of a fraud after a call persuaded her to release personal information, including her card details. However it was unclear how this could have happened twice as her new card – replaced by Monzo in December 2020 – was also used on 31 December to withdraw more money that had fraudulently been credited to her account.

Miss A has subsequently confirmed she was told to do this by friends as she allowed friends to use her account, including her card.

The conversations between her and a friend date from late last year. But I accept from this lengthy discussion that Miss A had allowed this friend to use her card around December 2020. She'd not been aware of what he was doing but is obviously now livid that his deceit has left her with a CIFAS marker.

I note the evidence Monzo has shared which does show Miss A logging into her app regularly during unusual times which I appreciate they believe shows her complicity. I'm not completely convinced. I think she may have known that a friend was using her account, which involved payments in and out but I remain unconvinced she was complicit in knowing fraud was taking place.

There's no doubt here that Miss A has breached the terms and conditions of her account by allowing someone else to use her card and account. And I'm satisfied that Miss A's friend was committing a crime as he was involved in someone being scammed out of their money. There's no evidence from the account history to show Miss A benefitted from the fraud her friends committed, although I accept she could have been given some of the cash withdrawn at the cash machines.

Stupidity and youth are no defence against fraud. However those factors do go some way to explain why customers panic and lie often to parents as well as their bank. From reviewing the chat evidence Miss A passed to us, I remain satisfied Miss A wasn't involved in the fraud. I appreciate she lied and wasn't honest with Monzo but that remains an insufficient basis for a marker to be lodged.

### **Putting things right**

I don't say this lightly as it's clear that until things went completely pear-shaped, Miss A was willing to allow someone else to use her account and assist them to some extent. But I do believe she was unaware of what was really going on. I therefore believe it's fair and

reasonable to ask Monzo to remove the CIFAS marker from Miss A's record.

### **My final decision**

For the reasons given, my final decision is to instruct Monzo Bank Ltd to remove the CIFAS marker from Miss A's name.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 1 March 2024.

Sandra Quinn  
**Ombudsman**