

The complaint

Mr S has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In 2023 Mr S was told by Monzo that they were closing his account. They also lodged a fraud-related marker on his record with CIFAS.

Mr S complained and asked Monzo to remove the marker. Monzo didn't feel they'd done anything wrong and refused to remove this.

Mr S brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and wouldn't ask Monzo to remove the marker.

Mr S disagreed with this outcome. He's asked an ombudsman to consider his complaint.

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 our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a 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.”

So Monzo must be able to provide clear evidence that an identified fraud was being committed and Mr S was involved.

There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Monzo. This confirms they received a notification from one of their customers that they had sent money to Mr S's Monzo account as the result of a fraud.

Mr S has told us he was selling coins as he's a collector. He's shared photos of his coins. He's also provided copies of correspondence with Monzo about his concerns of their lodging of a CIFAS marker and how he felt he was fobbed off.

He's also told us that he's had a long history within financial services and would be doing nothing that could be called fraudulent.

Mr S has not been able to provide us with any correspondence which shows he was selling coins to the person who sent him two payments for £30 and £60, which were subsequently disputed.

I've considered all of this but I'm not convinced by his testimony that he wasn't aware of what may have been going on.

I say this because I've reviewed Mr S's history of account use with Monzo which was a recently-opened account. Monzo has been able to share their evidence which indicated what their customer thought they were buying. This certainly wasn't coins. And in any case it's clear the customer didn't receive what they bought.

I note Monzo did contact Mr S to question his entitlement to the money. Monzo says they never got a response whilst Mr S has told us he shared this with Monzo but I don't believe this is the case.

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. In this case I think this most likely exists here from reviewing the reasons payments were made into Mr S's Monzo account.

On this basis I don't believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

My final decision

For the reasons given, my final decision is not to uphold Mr S's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 May 2024.

Sandra Quinn
Ombudsman