

The complaint

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

What happened

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

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

Mr O brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and believed Monzo's was sufficient to lodge the CIFAS marker. She'd considered Mr O's evidence in support of his complaint but didn't believe this demonstrated he didn't know what was going on.

Mr O 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 O was involved.

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

I've seen the evidence provided by Monzo. This confirms they received fraud reports from other banks whose customers felt they'd been defrauded in not receiving something they'd paid for after sending money to Mr O's Monzo account.

Mr O has told us he'd got in touch with someone who'd sent him a message *“I have pounds for sale”*. He'd bought sterling using his wife's overseas account and received numerous payments into his Monzo account. He'd then transferred these cash payments to a savings account he held with another bank which were designated for his wife's university fees.

He told us he'd noted that the money arriving in his account from a range of different named individuals and asked the person he was buying the money from. He was reassured by being told the money was being sent by a range of business associates.

But this doesn't match the evidence.

I've reviewed the statement Mr O shared of his wife's overseas account. There are numerous debits in May but these figures don't bear much resemblance to the credits being made to Mr O's Monzo account. Even if I were to believe Mr O was buying sterling at very disadvantageous rates, the transactions still don't match.

In any case what seems clear is that Mr O was receiving the profits of fraud and retaining these funds in a savings account in his name.

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 payments into and out of Mr O'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 O's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 17 April 2024.

Sandra Quinn
Ombudsman