

The complaint

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

What happened

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

Shortly afterwards another of Mr B's accounts was also closed. Mr B was advised to do a subject access request and found a marker was registered against his name at CIFAS for misuse of facility. Mr B complained and asked Monzo to remove the marker. Monzo didn't feel they'd done anything wrong and refused to remove this.

Mr B brought his complaint to the ombudsman service.

Our investigator reviewed the evidence, initially without Monzo's evidence, and wouldn't ask Monzo to remove the marker. After receiving Monzo's evidence, she reviewed this and saw no reason to change her view.

Mr B 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 B 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 another bank that their customers had sent money to Mr B's Monzo account as the result of a fraud.

Mr B has told us he was selling goods on behalf of a third party he'd met on Instagram. He's also provided copies of correspondence showing he was able to take a cut of funds before

sending the rest of the money onto a crypto account. He'd got to know this third party and carried out quite a few transactions on their behalf. He was unable to confirm whether the goods that were being paid for were then sent.

I've considered 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 B's history of account use with Monzo which was a recently-opened account. Monzo has also been able to show different devices linked to Mr B's account as well as evidence of Mr B's account use which caused them to be concerned.

I note Monzo did contact Mr B to question the payments where a concern had been raised. He confirmed he was selling items (what he termed "*sourced goods*"). But the evidence I've seen clearly shows Mr B was benefitting from these sales regardless of whether he knew for sure that goods were actually being supplied.

I appreciate what Mr B has told us about the impact of what has happened, his employment and family life. However there's no suggestion that Mr B is that young, and whilst he says he acted naively, I don't think there was anything to stop him exploring what was actually going on, if he didn't know already.

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 payments into Mr B'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 B's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 May 2024.

Sandra Quinn
Ombudsman