

The complaint

Mr S complains Monzo Bank Ltd unfairly loaded a CIFAs marker on the National Fraud Database. He wants the marker removed and compensation.

What happened

Mr S opened an account with Monzo in December 2020.

In January 2021 Monzo reviewed his account, closed it, and loaded a CIFAs marker against him. Mr S, however, insists he closed his account after hearing bad reviews about Monzo.

Mr S says he discovered the CIFAs marker when another bank declined his application for an account in 2022. He complained to Monzo, who rejected his complaint. They said the CIFAs marker was fair.

Unhappy with their response, Mr S brought his complaint to our service. Our investigator upheld his complaint. In summary, they said:

- Fraudulent funds moved in and out of Mr S' account via a unrecognised device. So, it was fair for Monzo to close the account without notice.
- Monzo hadn't met the evidential threshold to load the marker. Neither had they discussed the activity they were concerned about with Mr S.
- They should remove the marker and pay him £100 for the stress he experienced.

Monzo disagreed with the outcome our investigator reached and asked for a final decision.

I issued a provisional decision earlier this month and didn't uphold Mr S' complaint. I said:

"Monzo needed to have sufficient evidence to meet the evidential requirements CIFAs requires to record a misuse of facility marker. CIFAs says that evidence needs to be clear, relevant, and rigorous. I've reviewed all the information Monzo provided and what Mr S has said. I'm satisfied the evidential threshold is met. I'll explain why:

- *Mr S says he only recognises the payments made on his account on 11 January 2021. Those payments were a £20 payment from his mother, two small credits totalling £1.21, and a single debit for £8.77, which left a balance of £12.44. The device used at this time to access his account and make the debit payment must then have belonged to Mr S. From here on out I'll refer to this as Mr S' device.*
- *On 13 January 2021 £238 credited Mr S' account, which was later reported as fraud. A £249 debit was made several minutes later bringing Mr S' balance to almost zero. The debit was made via a 2nd device which was added to Mr S' account.*

Monzo explained that for the 2nd device to be added to his account, Mr S' password was needed as well as access to his email, so the device could be verified by the link

they would have sent to his email address. So, someone needed both access to Mr S' email address and his password to make the debit payment.

- *Monzo say Mr S' device accessed his account several minutes before the 2nd device accessed his account on 13 January 2021, and it was logged later that day, several hours after the fraudulent transactions took place. Monzo explained that when someone logs on to their account their balance is apparent on the landing page.*

Mr S says he was unaware of the fraudulent transactions. But I'm not persuaded by what he's said. Instead, I'm satisfied he would reasonably have spotted he no longer held a balance of £12.44 when he last logged onto his account on 13 January 2021. Or, if he somehow didn't spot this, he would have at least thought Monzo still held his money, but I've seen no evidence to show he contacted Monzo about his missing money. I find this telling.

- *Mr S says he instructed Monzo to close his account. But it's clear that Monzo closed his account as a result of the activity on his account, and closing his account is a condition of recording a CIFAs marker. Mr S has presented no evidence that he asked to close his account and I find his version of events less credible.*

Mr S says the existence of the marker is impacting him in a variety of ways. And I agree a CIFAs marker can impact someone considerably, but for the above reasons I don't find Monzo Bank Ltd acted unfairly when recording the marker. So, I'm not requiring them to remove the marker or pay him compensation."

Neither Monzo nor Mr S responded to my decision by the deadline I set. I find they have had sufficient time to respond, so I have proceeded to make 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.

I have decided not to uphold Mr S' complaint. My findings remain the same as those I reached in my provisional decision. I have copied those findings above and they now form my findings for my final decision.

I am satisfied Monzo Bank Ltd don't need to remove the CIFAs marker and I don't require them to pay compensation to Mr S.

My final decision

My final decision is I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 March 2024.

Liam King
Ombudsman