

The complaint

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

What happened

In 2021 Miss B was told by Monzo that they were closing her account. They also lodged a fraud-related marker on her record with CIFAS.

Miss B found that other accounts she held were closed and found it difficult to open another bank account. This increasingly caused her distress.

In 2023 Miss B complained and asked Monzo to remove the marker. Monzo didn't feel they'd done anything wrong and refused to remove this.

Miss B brought her complaint to the ombudsman service.

Our investigator reviewed what had happened but believed the evidence Miss B provided wasn't convincing enough to show she hadn't been involved in any fraud. She wouldn't ask Monzo to remove the CIFAS marker.

Unhappy with this outcome, Miss B complained further. Miss B's complaint has been referred to an ombudsman.

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:

“That there are reasonable grounds to believe that a Fraud or Financial crime has been committed or attempted.

That 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 Miss 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 one of their customers had been the victim of a phishing scam. A payment of £650 had been sent to Miss B's Monzo account as the result of this fraud. This money was practically immediately sent to another account.

Miss B has told us her email account had been compromised and she believed her Monzo account had been taken over. She said she'd barely used the account which she'd opened originally to use for savings but in fact she'd opened another savings account with her main bank.

Miss B has provided us with screenshots to show her email account may have been compromised. However this evidence isn't convincing or clear. I say this as her Monzo account was closed in January 2021 and the email takeover doesn't seem to have been until a couple of months later.

I've considered all of what Miss B has told us, but I'm not convinced by her testimony that she wasn't aware of what may have been going on.

I say this because I've reviewed Miss B's account use with Monzo. Firstly the account was opened in October 2020. It was used for numerous gambling transactions. These took place after large credit payments – from other individuals – into Miss B's account. This doesn't match what Miss B told us. I can also see that different mobile devices were linked to this account. As new devices are linked to an account, Monzo asks its customers to provide ID to check this. This was done by Miss B for her account, and device, just days before the disputed payment.

None of the payments on Miss B's account – either receipts or payments outwards – seem to look like savings or anything like the usage Miss B said she was making of her account.

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 believe this exists here from reviewing the payments made into Miss B's Monzo account.

On this basis I don't believe it would be fair and reasonable to ask Monzo to remove the fraud-related markers in her name.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 12 July 2024.

Sandra Quinn
Ombudsman