

## The complaint

Miss H complains about Monzo Bank Ltd's decision to register a fraud marker against her.

## What happened

Miss H held an account with Monzo. In May 2022, following a review, Monzo made the decision to close Miss H's account and registered a Credit Industry Fraud Avoidance System (CIFAS) marker against her.

While Miss H acknowledges that she had some money transferred into her account, she can only recall selling some shoes and wasn't expecting any other money. Monzo reviewed their decision and wasn't willing to remove it.

Miss H brought the complaint to our service. Due to not receiving any information from Monzo initially, the complaint was upheld. Monzo then provided evidence – and after a further review, our investigator felt Monzo appropriately registered the marker.

Miss H disagreed and asked for an ombudsman review.

In the meantime, CIFAS changed their rules on how long a marker would stay on an individual's credit file. Due to Miss H's age when the marker was registered, it was able to be removed after two years (rather than six years). Therefore, while awaiting an ombudsman's decision, the marker has been removed which is what Miss H wanted as a resolution to her complaint.

Our investigator got in touch with Miss H and while Miss H confirmed the removal of the marker, she didn't explicitly say her complaint was now resolved. So, it has been passed to me to decide.

## 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.

Miss H has confirmed the CIFAS marker has now been removed from her credit file. However, I have still reviewed whether it was fair of Monzo to apply the marker.

When a business is a member of CIFAS it can record a marker against an individual customer when that customer has used their account fraudulently (a 'misuse of facility' marker). This type of marker will usually stay on record for six years; but following some changes to the rules, due to Miss H's age when it was applied, it was only held for two years. In order to file such a marker, Monzo aren't required to prove beyond reasonable doubt that Miss H is guilty of a fraud or financial crime, but they must show that there are grounds for more than mere suspicion or concern. CIFAS says:

- *“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; [and]*
- *The evidence must be clear, relevant and rigorous such that the member*

*could confidently report the conduct of the subject to the police.”*

What this means in practice is that Monzo must first be able to show that either there was an attempt to put fraudulent funds into Miss H's account or fraudulent funds have entered Miss H's account and were either moved on or retained. Secondly, Monzo will need to have strong evidence to show that Miss H was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show deliberate complicity.

Based on what I've seen, I'm satisfied Monzo did apply the marker fairly. I say that because I've seen evidence to show that Miss H received a payment into her account in May 2022; and I'm satisfied based on what I've seen that this money was fraudulent. Miss H hasn't been able to provide a reasonable explanation as to why the money entered her account – and has said she wasn't expecting to receive it. However, Monzo has provided audit trails which show Miss H's genuine device was used to attempt to transfer the money.

I appreciate the event happened a couple of years ago now, and Miss H says she can't recall all of the details; but I don't see any reasonable explanation as to why Miss H would attempt to move money she wasn't expecting to receive. It therefore follows that I consider Miss H was complicit and so Monzo met the requirements to load the CIFAS marker.

**My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 11 September 2024.

Hayley West  
**Ombudsman**