

## The complaint

I have reviewed the information provided in this case and I have decided not to uphold Mr D's complaint.

Mr D complains that Monzo Bank Ltd added his name to the CIFAS fraud database. He says this has impacted him emotionally and financially, as other banks have closed his accounts. He wants Monzo to remove the CIFAS marker.

## What happened

Mr D opened his account with Monzo in August 2023. Shortly after, Monzo contacted Mr D to tell him they were reviewing his account and had frozen its use while they carried out a review.

Mr D contacted Monzo using its online chat to request help with his account suspension. During this chat, Monzo's response to Mr D was:

*'What we've done is frozen your account temporarily, and we'll need the following information from you so our specialist team can look into what's happened:*

- 1. Any recently failed payments – including how much and what the payments were for, as well who they were supposed to be made to.*
- 2. Any large bank transfers you've sent or received in the last few days – including who they were to or from, what they were for, and whether they were personal or business transactions.*
- 3. Any documents you have for these transactions – like statements, invoices, receipts, wage slips. Don't worry if you don't have any of these things, but the more you can send me, the better.'*

Mr D sent a further message in the chat three days later to say *'My account has been deactivated since weekend, just want to let you know that I my transactions are legitimate and I will provide every documentation when requested. [sic]*

Mr D feels as though Monzo didn't ask him for proof of entitlement to the funds and his response set out above suggests he expected to be asked again for this.

Monzo considered what Mr D told it, completed its review and decided to close his account with immediate effect six days later.

There have been two views issued on Mr D's complaint at our service. The first investigator upheld Mr D's complaint based on having been provided insufficient information by Monzo.

Monzo subsequently provided further information and a different investigator then decided not to uphold his complaint. They asked Mr D to explain how he used his account and to provide proof he was entitled to some payments into his account. He provided information related to him selling cryptocurrency via a well-known platform.

But after reviewing all the information and evidence they decided Monzo was justified in loading the CIFAS marker and they explained to Mr D that they would not ask Monzo to remove it.

Mr D then asked for a final decision by an Ombudsman, so their complaint was given 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.

Monzo have important legal and regulatory obligations to meet when providing accounts. To meet their obligations they will monitor accounts and where appropriate they may block an account to carry out a review. I have considered Monzo's reasons for carrying out a review and I find they were in line with their responsibilities. I also consider their decision to block the account appropriate, so I am not awarding redress because Mr D couldn't use his account.

Mr D has said Monzo didn't ask him any questions about his account activity. But the online chat messages show Monzo did explain it wanted specific information from him about recently failed payments and large transfers in and out of his account and what they were for, and any documents in relation to them. I don't see Mr D provided the information Monzo asked for.

Monzo closed Mr D's account and loaded a CIFAS marker against him. I have considered whether the marker was fair. There are strict criteria and clear evidential standards Monzo has to establish to apply for a CIFAS marker.

I've carefully considered all the information from Monzo for loading the marker, and I've also considered the information Mr D has provided, which he says establishes all his payments were legitimate. While I can see Mr D has provided some information to show he was selling and buying cryptocurrency via a well-known peer to peer online platform, I find the information Monzo hold is still sufficient to meet what CIFAS requires of its members. So, I won't be asking Monzo to remove the marker or compensate Mr D for the losses he may have experienced as a consequence.

To meet CIFAS rules, where Monzo applies for a CIFAS marker they must also close Mr D's account. I understand Mr D will want to know the information that led to this decision, which I have weighed in order to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

DISP 3.5.9R states:

*"The ombudsman may:*

*(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;*

*(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate;*

*..."*

A description of that information is that it supports Monzo's decision to apply a CIFAS marker in Mr D's case.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 October 2024.

Matthew Warrington  
**Ombudsman**