

The complaint

Mr M has complained that Monzo Bank Ltd registered a marker against him at CIFAS, the national fraud database.

What happened

In 2021, Mr M opened an account at Monzo, and shortly afterwards received a series of payments, which he quickly forwarded to another account of his. The payments were reported as fraudulent. The victim provided screenshots showing that Mr M had been masquerading as a woman claiming to have an abusive husband, who provided his bank details and a fake phone number, took payment for goods, and then never provided them. Monzo closed Mr M's account and registered a marker against him at CIFAS.

In 2023, Mr M complained. He provided some screenshots which he claimed were with the alleged victim, saying they admitted they'd received the goods.

Our investigator looked into things independently and upheld the complaint. Monzo didn't agree, and asked for an ombudsman's decision. After some delay, they provided the screenshots from the victim. The complaint's been passed to me to decide.

I sent Mr M and Monzo a provisional decision on 13 May 2024, to explain why I didn't think the complaint should be upheld. In that decision, I said:

In order to register this marker, Monzo were not required to prove beyond all reasonable doubt that Mr M had done something wrong. They did need to have reasonable grounds to believe that he'd misused his account, which went beyond a suspicion or concern, and which had appropriate supporting evidence. Having carefully considered everything that both sides have said and provided, I currently think Monzo did have sufficient grounds to register this marker. I'll explain why.

The activity on the account is consistent with fraudulent use. For example, Mr M opened the account and used it for very little other than the fraud. He all but emptied his Monzo account of his own funds beforehand, such that his own money could not be used to repay the fraud victim. Then when the fraudulent funds came in, he acted quickly to send them on to another account of his, which meant they couldn't be recovered once the fraud was reported. Mr M appears to have been the sole beneficiary of the fraud.

Mr M provided screenshots of messages which he says were from the alleged victim. However, I am not satisfied that those screenshots are genuine. For example, the account in the messages does not appear to be the victim's real account, the account's name has been changed, the account appears to belong to Mr M or an associate of his who shares mutual connections with him, the messages are not from the time of the incident, and the messages are written with the same particular writing style, syntax, and very specific grammar errors that Mr M uses himself.

Moreover, the victim of fraud provided screenshots at the time, which appear to be genuine. They show that Mr M was masquerading as a substantially older married woman, who claimed to have an abusive husband to elicit sympathy. In those messages, Mr M's name and bank details were provided for payment, along with a handwritten note confirming the terms of the sale, and the victim provided screenshots showing they paid Mr M these same amounts. So I'm satisfied that these screenshots relate to this incident.

Despite our requests, Mr M has not provided any evidence of ever owning the goods he said he sold, nor of providing them to the buyer. And these were expensive goods which would normally need to have their change in ownership logged electronically as well as being physically delivered, so if he'd really made the sale then it should be straightforward for him to provide such evidence. Mr M said he couldn't provide his original messages with the buyer because he'd deactivated that account. We pointed out that accounts deactivated in this way can be fully reactivated, and asked him to do so and send us the messages. But he did not get back to us. And, as noted above, the evidence he did send us does not appear to be genuine.

While Mr M says he opened the account for savings, this was not a savings account, and he did not deposit any savings or make any pots. Instead, as I noted above, he made some small test payments then received and forwarded on fraudulent funds, in a way consistent with fraudulent account usage. Mr M said he forwarded the money on quickly because he was worried Monzo would freeze it. But if that were the case, he could've just asked the buyer to just pay his other account in the first place.

Lastly, I've not seen any evidence which makes it seem implausible or unlikely that Mr M was knowingly and willingly involved in the fraud.

In summary, Mr M received, forwarded on, and benefitted from the proceeds of fraud in a way that is consistent with him opening and using the account for fraud. The victim provided evidence substantiating that Mr M defrauded them, whereas Mr M has been unable to provide evidence that should be straightforward for him to provide, and has instead provided messages which do not appear to be genuine. And Mr M's testimony has not been very plausible. So taking into account everything that's been said and provided so far, it seems fair that Monzo closed Mr M's account and registered a marker against him at CIFAS. They were allowed to do so under the terms of his account in situations like this. This is a difficult message for me to give, and I know it's a difficult message for Mr M to receive. But given the evidence I have so far, and the balance of probabilities, I'm currently unable to reasonably reach any other conclusion.

I said I'd consider anything else anyone wanted to give me – so long as I received it before 10 June 2024. But neither Mr M nor Monzo sent me anything new to consider.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I do not uphold Mr M's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 July 2024.

Adam Charles
Ombudsman