

## **The complaint**

Mr M complains that Monzo Bank Ltd (Monzo) have unfairly applied a fraud prevention marker against him. He'd like it removed.

Mr M is represented by his mother, Mrs M.

## **What happened**

The facts of this complaint are well known to both parties, so I've only provided a summary of the background below.

Mr M held a current account with Monzo.

In January 2024 he became aware that a CIFAS (Credit Industry Fraud Avoidance System) marker had been loaded against him. After doing a Data Subject Access request to CIFAS, he was informed that Monzo had loaded a 'misuse of facility' marker against his name. He got in touch with Monzo to ask why.

Monzo asked Mr M about some payments he received into his bank in October 2023. Mrs M who was representing Mr M, said he was a vulnerable adult, and he didn't recognise the payments and couldn't provide any details about them. She said he didn't use the account frequently and often it was to move money to and from his other account with a different bank. She also said that Mr M had lost his bank card. She was concerned that Mr M had been the victim of fraud.

Mrs M complained on behalf of Mr M. Monzo investigated the complaint but didn't think they'd done anything wrong. They reviewed the loading of the CIFAS marker; but were satisfied it should remain.

Mrs M remained unhappy and brought the complaint to this service. Our investigator requested and considered lots of information about this complaint. She issued four opinions, but her last one was that Monzo should remove the marker. After having several discussions with Mrs M, the investigator was persuaded that Mr M was an unwitting participant to the fraudulent activity on the account. Monzo disagreed with the opinion and asked for an ombudsman to decide the case.

## **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 also think Monzo should remove the CIFAS marker, and I've explained why below:

To file a fraud prevention marker, Monzo are not required to prove beyond reasonable doubt that Mr M is guilty of fraud or financial crime, but they must show 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.”*

What this means in practice is that Monzo must first be able to show that fraudulent funds have entered the consumer’s account, whether they are retained or pass through the account.

Secondly, Monzo need to have strong evidence to show that the consumer was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker shouldn’t be registered against someone who was unwitting.

To meet the standard of proof required to register a CIFAS marker, Monzo must carry out checks of sufficient depth and retain records of these checks. This should include giving Mr M the opportunity to explain the activity on their account to understand their level of knowledge and intention.

In November 2023, Monzo received a notification from another bank raising concerns about a payment sent by one of its customers to Mr M’s account. After receiving the fraud report, Monzo applied the CIFAS marker and closed Mr M’s account. They confirmed the closure of the account in an email.

Once Mr M became aware of the marker, he contacted Monzo. Monzo gave Mr M the opportunity to provide details about the transaction in question, but Mr M couldn’t give much detail.

At this point, I’m satisfied Monzo were able to show fraudulent funds had entered Mr M’s account and they’d asked him relevant questions about the funds. The answers Mr M provided were vague and inconsistent, so I think Monzo were entitled to retain the marker against Mr M.

However, since the complaint has been with this service, Mr M’s version of events has changed.

Mrs M has explained that Mr M is a vulnerable adult, who has a neurological disorder which means he can be quite naïve and trusting of other people. He is also easily led and can be socially awkward.

After having an in-depth conversation with Mr M about the account, she said he’d explained that he gave his ‘friend’ access to the account because they needed somewhere for their wages to be paid. And by doing so, Mr M had innocently been involved in the fraudulent activity on the account. Mrs M told us that Mr M had reluctantly told her this is what happened, because the ‘friend’ was from a notorious family, and he was worried about the repercussions. Mrs M confirmed that Mr M is no longer friends with the third party.

Monzo has concerns about the change in Mr M’s story and they aren’t convinced by it. They’ve said in the account opening video Mr M looks relaxed, and there doesn’t appear to be any signs of discomfort as if he was under coercion. They’ve also said Mr M emptied the account prior to the fraudulent transaction, which suggests it was pre-meditated. Because of the above they think Mr M was aware of what was going on with his account and he was

complicit.

I've considered everything in the round, and whilst I appreciate Monzo's concerns – I am persuaded by Mr M's most recent version of events.

Mrs M has provided medical evidence which supports what she's said about Mr M's vulnerabilities and neurological disorder. Having reviewed this, alongside Mr M's testimony, I think Mr M innocently provided his account details to a third party, without understanding the repercussions. The account was then used for fraudulent funds to pass through, but I don't think Mr M was aware of this and I think he was unwittingly involved.

I've reviewed the video evidence provided by Monzo, and whilst I agree Mr M looks relaxed, I don't think this is enough to say he was complicit in the fraudulent activity and was aware of what was going on. Mrs M has explained that Mr M considered the third party to be a 'friend' and so likely wasn't worried or concerned at this point. I think he naively provided his details, to allow his 'friend' to use the account for wages and spending. Unaware it would be fraudulently used.

I've also considered what Monzo has said about Mr M clearing the account, prior to the 'fraudulent' transaction and that this suggests pre-meditation. But I don't necessarily agree with this. As I've already established, Mr M was vulnerable and easily led, so there could be several reasons why the last remaining funds were transferred out of the account. It could be that his 'friend' told him to do it, and so Mr M did.

## **Overall**

Mr M has been careless with his bank account details and online banking information and these should never have been shared with a third party. But I've thought carefully about what's been said and I cannot reasonably say that I think Mr M was complicit in the fraudulent transaction. I consider him to have been unwittingly involved and therefore, I don't think it would be fair or reasonable for the CIFAS marker to remain.

## **My final decision**

For the reasons I've explained above, Monzo Bank Ltd should remove the CIFAS marker loaded against Mr M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 December 2024.

Rachel Killian  
**Ombudsman**