

The complaint

Mr O is unhappy that Monzo Bank Ltd closed his account and loaded a Credit Industry Fraud Avoidance System ('Cifas') marker against him.

What happened

Mr O opened an account with Monzo in April 2023. Shortly after this, on 3 May 2023 Monzo closed Mr O's account without notice and loaded a Cifas marker against him.

In October 2023 Mr O discovered the Cifas marker had been loaded and contacted Monzo to complain about this. Monzo investigated his complaint, but ultimately it decided the Cifas marker had been loaded fairly.

Our investigator considered the complaint. They felt Monzo was acting fairly in closing Mr O's account, but didn't think it had met the standard required in order to load a Cifas marker against him. They recommended this be removed.

I issued my provisional decision in January 2025. In summary I said that:

- Monzo had filed a marker with Cifas intended to record there had been a 'misuse of facility' relating to using the account to receive fraudulent funds. In order to do this it needed to have reasonable grounds to believe fraud or a financial crime had been committed and that the evidence was clear, relevant and rigorous such that it could confidently report the conduct of its customer to the police. I said in practice this meant Monzo needed to show fraudulent funds had entered Mr O's account and have strong evidence to show Mr O was deliberately dishonest in receiving the funds and knew it was, or might be, an illegitimate payment.
- Monzo provided evidence to the service in confidence, which supported its decision to review and close Mr O's account. And as a service I'm satisfied our rules allow us to receive evidence in confidence in certain circumstances, for example where it contains security or commercially sensitive information. And whilst I was unable to share a lot of detail with Mr O, I was satisfied the evidence I'd received persuaded me Monzo was acting fairly and reasonably in reviewing his account.
- Monzo loaded the Cifas marker against Mr O without contacting him to first discuss his use of the account as I think it should've been in line with relevant guidance. However, I concluded that had it done so when it loaded the Cifas marker, Mr O likely would've provided the same information as he provided when asked around four months later when Monzo reviewed its decision. And based on the information he had provided I didn't think it was unreasonable the Cifas marker remained in place.

- I didn't think Mr O had been able to provide sufficient evidence that supported his story that a friend/fellow student/colleague had lent and/or borrowed money from him and he'd then urgently had to send the money abroad to family. Whilst he'd sent screenshots of him using a money transfer service, and screenshots of an unknown person sending money to an account in his name, there wasn't much information to tie them to the payments in question or to his story. So I didn't think this evidence was persuasive in light of the other information available.
- We asked Mr O for more information to support his testimony during our investigation but overall he was unable to provide persuasive evidence that supported why the funds were sent to him, why he sent them on to someone else, who they were sent to, or his relationship to any of the parties involved.
- Overall I thought Monzo's decision to load a Cifas marker against him was reasonable.

Monzo had no further comments in response to my provisional decision. Mr O responded and in summary he said that:

- If Monzo had asked him about his use of the account when it loaded the Cifas marker he would've been able to provide a better explanation and more evidence as he would've been able to contact the person who sent him the money.
- He felt he should be able to see the evidence Monzo had provided to support its decision to load the Cifas marker against him.
- Monzo wasn't familiar with the money transfer site Mr O had used to move the money out of his account which influenced its decision.

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'm not persuaded to depart from the decision reached in my provisional decision, outlined above. However I would like to address Mr O's additional comments.

Mr O has said had Monzo asked him about his use of the account when it loaded the Cifas marker he would've been able to provide additional information or evidence to support the payment he received was legitimate. But he's not provided any further detail or information about why this would be the case.

Monzo gave Mr O the opportunity to provide more information approximately four months after the Cifas marker was loaded. It's not clear why this four months left him unable to obtain any of the evidence relating to the payment or where he sent it or why. He was able to provide screenshots that he's said were from the person who sent him the money, so it's clear he did still have access to some information.

But in any event, I don't think Mr O likely would've been able to provide anything that would've outweighed the other evidence Monzo has provided relating to the payment in question.

I understand Mr O's frustration that I'm unable to share the evidence Monzo has provided in this case. But as I've outlined, our rules allow us to receive evidence in confidence. And Monzo aren't obliged to share this information with him as much as he'd like to know.

What I can say is that our service is impartial and I have in this case required Monzo to provide sufficient evidence to support its decision, and I'm satisfied it has done that. So whilst Mr O can't know more about this, I hope I can reassure him our service is satisfied Monzo has not acted unfairly or improperly towards him.

I've noted Mr O's comments that Monzo wasn't familiar with the particular money transfer site he used to move the money out of his account. But Monzo's decision wasn't based on the site itself or the fact that it may not have recognised this at some point during its investigation and my decision hasn't been based on this either. So I don't consider this point material to the outcome of the complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 March 2025.

Faye Brownhill
Ombudsman