

The complaint

Mr Y has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In 2023 Mr Y was told by Monzo that they were closing his account. They also lodged a fraud-related marker on his record with CIFAS.

Mr Y subsequently discovered an application for another bank account was turned down. He believed the CIFAS marker was impacting his educational journey.

Mr Y complained and asked Monzo to remove the marker. Monzo didn't feel they'd done anything wrong and refused to remove this.

Mr Y brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and wouldn't ask Monzo to remove the marker.

Mr Y disagreed with this outcome. He's asked an ombudsman to consider his complaint.

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've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

So Monzo must be able to provide clear evidence that an identified fraud was being committed and Mr Y was involved.

There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Monzo. This confirms they received a notification from three banks that their customers had sent money to Mr Y's Monzo account but didn't get the goods they thought they were purchasing.

Mr Y has told us he was selling items he'd bought elsewhere to resell. He's been able to provide us with copies of correspondence which shows he was selling clothing to three individuals who made the payments of £100, £35 and £110 to his Monzo account. These

payments were subsequently disputed.

The correspondence Mr Y has shared both suggests he delivered and posted the items of clothing he was selling but his story has also changed. He's subsequently suggested he was confused by all the transactions he was making at this time.

I've considered all of this, but I'm not convinced by his testimony that he wasn't aware of what may have been going on.

I say this because I've reviewed the evidence Monzo has shared with us. This shows that these payments were all made within a day. It seems suspicious that the only three items Mr Y was selling at this time – to three different people – were all disputed. For anybody involved in reselling, it's not unusual for there to be disputes on either side but for all three of the transactions Mr Y was involved in at this time makes me believe things weren't above board.

I note Monzo did contact Mr Y to question his entitlement to the money. I can see Mr Y sent them evidence, but Monzo weren't convinced. Based on what I've seen, I'm not surprised.

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. In this case I think this most likely exists here from reviewing the payments made into Mr Y's Monzo account.

On this basis I don't believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

As Mr Y was under 18 years old at the time of the transactions and Monzo lodging a CIFAS marker, this will only remain on his record for two years.

My final decision

For the reasons given, my final decision is not to uphold Mr Y's complaint against Monzo Bank Ltd.

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

Sandra Quinn
Ombudsman