

The complaint

Miss M complains that Monzo Bank Ltd closed her account and registered a CIFAS marker against her name.

What happened

Miss M says that, in or around September 2022, her brother asked her to provide him with the details of her Monzo account. She says he explained that a friend of his was running a trading business overseas and that they needed the use of an account in the UK (or one of a number of other countries) to receive payments.

Miss M says that she believed her brother's reassurances that any money paid into her account had been legitimately earned, and she had no reason to doubt what he said.

In December 2022 Miss M says that her brother contacted her to check if funds had been received. She had received £150. Her brother asked her to transfer £135 to him, which she did.

Monzo contacted Miss M to ask her about the payments into and out of her account, as well as asking more widely about the source of funds into the account. Miss M did not initially respond, and Monzo closed her account on 6 January 2023.

Miss M says that she did not link the closure of her account with the payments until, in December 2023, her main bank closed her account with it. She then identified that her details had been registered with CIFAS, the UK's fraud alert service.

Miss M complained to Monzo. It said that it would not be removing the CIFAS marker, and it would not provide Miss M with any more information about its reasons for loading it. Miss M referred the matter to this service. One of our investigators initially said that they thought Monzo had acted fairly. However, when Miss M provided more information, they revised their view and recommended that Monzo arrange for the CIFAS marker to be lifted.

Monzo did not accept the investigator's recommendation and asked that an ombudsman review the case.

I did that and issued a provisional decision, in which I said:

The investigator concluded that Monzo had carried out appropriate investigations before loading the CIFAS marker. However, after Miss M had provided further evidence, the investigator concluded that she had been an unwitting participant. Her brother had persuaded her to allow him and his friend to use her account. If it had been misused, she had not been aware of that. And even the account's closure did not raise any suspicion in Miss M's mind, since she thought it had been closed because it was not used very much – and because her brother had advised her not to pursue matters.

I am afraid I disagree with the investigator about the level of Miss M's knowledge here. She may not have known exactly what her brother and his acquaintance were doing, but I think

there was more than enough evidence to have prompted her to ask further questions and to find out more about the business he said he was involved in – especially when Monzo had asked specifically about the two transactions linked to her brother.

In the circumstances, I don't believe that Miss M can properly be described as an unwilling participant in any misuse of her account. It follows that I think Monzo acted fairly in loading the CIFAS marker.

Miss M did not accept my provisional conclusions. She said that she had asked her brother about the money paid into her account, but that he had not responded – and that they were no longer in contact.

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.

Miss M has provided evidence that she contacted her brother in December 2023, saying that the payment into her account had caused her problems. She only did so, however, after she found out about the CIFAS marker. There is no evidence that she tried to find out more about the payment when Monzo asked about it (and the payment of £135 from the account) nearly a year earlier. Nor did she raise any questions when her account was closed and the balance returned to the account from which the £150 payment had been made.

The use of Miss M's account in December 2022 was, in my view, entirely inconsistent with what she says her brother had told her. I remain of the view that she probably knew rather more about the payments in and out of her account than she has said.

My final decision

For these reasons, my final decision is that I do not uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 16 September 2024.

Mike Ingram
Ombudsman