

The complaint

Mr A has complained that Monzo Bank Ltd registered a fraud marker against him.

What happened

One day in summer 2023, Mr A received several thousand pounds into his Monzo account. He quickly withdrew some of it in cash, transferred some to his other account at another bank, tried to send some to a cryptocurrency platform, and spent the rest at a technology retailer. The funds were then reported to have come from fraud.

Monzo closed Mr A's account and registered a fraud marker against him.

Mr A has explained that his flatmate said they were having account issues, and asked him to help pay their overdue rent, else they'd be evicted. He'd never had any prior connection to this flatmate and they were a stranger, but because he had a big heart he agreed to receive their money and pay it on to the landlord. He said the reason he didn't pay the landlord was because his account was blocked before he could. And he said the reason he paid some of the money to himself was because his flatmate owed it to him despite them having had no prior connection. He said that by the time his account got blocked – a matter of days later – he'd completely lost contact with his flatmate and couldn't track them down to resolve this.

Our Investigator looked into things independently and didn't uphold the complaint. Mr A's representative asked for an ombudsman to make a decision, so the complaint's been passed to me to decide.

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.

In order to register this marker, Monzo were not required to prove beyond all reasonable doubt that Mr A 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 think that there are sufficient grounds for this marker; and that even if Monzo should have done more to contact Mr A at the time, the evidence that's since come to light still supports the marker remaining. I'll explain why.

The money in question did not come from the named flatmate, but from a victim of crime, whose money was stolen and sent directly to Mr A. Monzo received an official report from another institution, which was backed up by a police report.

The activity on the account was consistent with fraudulent use. For example, when the fraudulent funds came in, Mr A acted very quickly to withdraw them in cash, transfer them to his other account, try to get them out through a cryptocurrency platform, or otherwise spend them, which meant the money couldn't be recovered once the fraud was reported. There would have been no need for such urgency if the funds were genuine. And as far as I can see, Mr A appears to have been the sole beneficiary of the fraud.

The testimony Mr A has given is implausible and, at points, contradictory. For example, the money he received came from a different name to the flatmate's. His stated reason for receiving the money didn't really make sense – if the flatmate was able to make a transfer to Mr A, then they could have also just made the transfer directly to the landlord. They wouldn't have needed Mr A's involvement. And Mr A did not attempt any payment to the landlord. Mr A claimed he couldn't pay the landlord because his account was blocked, but that's untrue – his account was blocked *after* he'd spent the fraudulent funds, which included him transferring some of the money to his other account, so Mr A was perfectly capable of making transfers. Mr A says he sent some of the money to himself because the flatmate owed it to him, but he'd previously said he had no prior connection to the flatmate before this and they were a stranger. And there's no record of him previously lending this money on his statements. And Mr A says that by the time his account was blocked, everyone had moved out and he couldn't track down his flatmate to resolve this. But that was only days later, and supposedly he was able to message his flatmate, so that's not very plausible either. It also wouldn't make sense for the flatmate to be so concerned about being evicted if everyone was going to move out in a few days anyway.

Mr A did provide screenshots allegedly showing a message history with his flatmate, though these contain little detail and could have fairly easily been created or altered. But even if I accepted that his flatmate had asked him to pay the landlord, Mr A did *not* pay the landlord nor even attempt to pay the landlord – he withdrew the money in cash, spent it, or sent it to his other account. So even if I took those screenshots to be genuine, they would show it's most likely that Mr A defrauded his flatmate, and so I would still find that the marker should fairly remain.

Lastly, I've not seen any evidence which makes it seem implausible or unlikely that Mr A was knowingly involved in the fraud. Mr A pointed out that he had an employment history and did not have a previous criminal record. But people with jobs still can and do involve themselves in fraud. And even if Mr A was never previously caught doing something wrong, every person who gets involved in fraud has a first time. So I do not find that point to be significant.

So even if I were to accept that Monzo should have done more to contact Mr A at the time, given the balance of evidence at hand, it's fair that this marker should remain. This is a difficult message for me to give, and I know it's a difficult message for Mr A to receive. But given the evidence at hand, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

For the reasons I've explained, I do not uphold Mr A'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 A to accept or reject my decision before 22 October 2024.

Adam Charles
Ombudsman