

The complaint

Miss C is unhappy that Prepay Technologies Limited applied a Cifas marker against her name. She would like the marker removed. Monese is an agent of Prepay Technologies Limited, but I shall refer to Monese throughout this decision.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In early 2023 Miss C met a third-party online who said he was working abroad at the time. After continuing to speak with this third-party the conversation started to turn to money. Miss C was told by the third-party that he needed help moving money whilst he was abroad so that this money could be accessed quickly whilst he was working. The third-party asked Miss C to set up accounts in her name so that money could be sent to her accounts before she was given instructions on where to move that money to.

Monese applied a Cifas Marker on 08 August 2023 for a 'misuse of facility' which Miss C said has made it difficult for her to open and then hold a bank account. She complained to Monese asking it to remove the marker, but it refused so she brought her complaint to the Financial Ombudsman.

Our investigator didn't think the complaint should be upheld. He said he was satisfied that Miss C was aware of the bank account when it was opened and that she was aware of the money that was passing through her account.

Miss C disagreed and asked for an Ombudsman's review. She said other account providers had accepted she wasn't involved in the fraud and that due to her mental health, personal circumstances and learning disabilities she is a vulnerable adult.

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 C has explained that the Cifas marker has impacted her greatly, particularly due to the closure of her accounts with other banking providers. But while I know this won't be the outcome she is hoping for, for largely the same reasons as our Investigator, I don't think Monese has unfairly applied the marker. I'll explain why.

For the Cifas marker to have been applied fairly, Monese needs to have more than a suspicion or concern. They must show they had reasonable grounds to believe that a fraud or financial crime had been committed or attempted. And the evidence must be clear, relevant and rigorous.

Having considered the evidence carefully, I'm satisfied Monese has been able to demonstrate they've met the first of the two standards I've listed above. Monese has shown

they received a report from a third-party bank showing a transaction was reported as fraud by its account holder. This clearly meets the bar that there are reasonable grounds to believe that a fraud or financial crime has been committed.

So, I've gone on to consider if Monese has been able to meet the second of the above two standards. Monese will need to have strong evidence to show the consumer was deliberately dishonest in receiving the fraudulent payments and knew it was, or might be, an illegitimate payment.

I've seen evidence in the chats that Miss C was in discussions with a variety of banks and payment service providers when the fraudulent funds were being moved to accounts in her name. And even after she was told by those account providers that the money going into the accounts was fraudulent, she continued to let the scammer use other accounts to send money to. I can see that Miss C would threaten to stop communicating with the scammer and no longer allow him to use accounts in her name but instead the conversation continues, and money is still sent. And I've seen various communications that show Miss C asking for instructions on when and who to send the money to in July 2023. She makes references to money laundering and that what was happening didn't feel right but she continued to do as she was told.

I note in the conversations that Miss C refused to allow the scammer access to her e-mail account and for him not to use the account she held her personal direct debits with. She said that those were off limits for the scammer because she couldn't lose those accounts. This persuades me that Miss C knew that what was happening here wasn't right and she didn't want to risk losing her main bank account or provide her password to her e-mails.

When Monese asked her why the payments were coming into her account she confers with the scammer and lets them know what is happening before lying to Monese and telling them that the money coming into her account was to help with her rent.

I've considered Miss C's personal circumstances and her medical history here. Having done so, although I can understand that this made her more vulnerable to this type of scam, I think there were various red flags and warnings that she was given about the money that she was moving around the accounts on behalf of the scammer. It seems to me that Miss C did trust the scammer and was manipulated at points but was also accepting small amounts of money for her actions with a promise of meeting the scammer and perhaps getting a large financial award for helping him. As a result, although I've seen clear evidence from Miss C that she has vulnerabilities, I'm persuaded she was more than likely aware the funds were likely the proceeds of fraud.

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. Given the warnings provided by the various account providers at the time and the fact Miss C wouldn't let the scammer use her main account and e-mail, I'm persuaded she understood the consequences of what could happen here and, more likely than not, chose to be complicit by allowing accounts in her name to move this money.

As a result of the above, I don't think I can reasonably ask Monese to remove the Cifas marker. I don't think this was a one-off occurrence where a single mistake was made. Miss C disregarded warnings and was happy to not tell Monese and other account providers the truth about why the accounts were being opened and the transfers that were being made. Overall and having considered everything, I'm satisfied that Monese acted fairly in applying the Cifas marker as I don't think Miss C has been able to sufficiently demonstrate she was entitled to the payment for legitimate reasons. I therefore don't think Monese has to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 7 August 2025.

Mark Dobson
Ombudsman