

## The complaint

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

## What happened

In summer 2023, Mr Z received some money into his Monzo account, which he quickly forwarded on to an account of his with another bank.

Monzo received a report that the money had come from fraud. They contacted Mr Z, who claimed the money was from a family friend for washing several cars. He later claimed it came from an old friend who was repaying money they owed him. Finally, he claimed it came from selling shoes. Despite requests, he did not provide any evidence of where the money had come from, aside from a picture of some shoes in a car.

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

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

I sent Mr Z and Monzo a provisional decision on 7 October 2024, to explain why I thought the complaint should be upheld. In that decision, I said:

*In order to register this marker, Monzo were not required to prove beyond all reasonable doubt that Mr Z 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 currently think Monzo did have sufficient grounds to register this marker. I'll explain why.*

*Monzo received an official report that the money Mr Z received did not come from a family friend for washing cars, nor from an old friend for money lent, nor from providing goods. They received detailed testimony and supporting evidence substantiating that Mr Z had advertised goods, received payment, then blocked the buyer without providing the goods.*

*The activity on the account is consistent with fraudulent use. For example, Mr Z had emptied his Monzo account of his own funds beforehand, such that none of his own money could be used to repay the fraud victim. Then when the fraudulent funds came in, he was frantically checking his account and very quickly sent the funds on, which meant they couldn't be recovered once the fraud was reported. Mr Z's account had only recently been opened, and was not used for anything other than receiving and passing on funds. Mr Z appears to have been the main beneficiary of the fraud.*

*Mr Z did not provide any evidence which actually showed or substantiated that any of his various versions of events were true. He only provided a picture of some shoes in a car, which did not evidence that these were his shoes, nor that he delivered them to anyone. Had this been a legitimate sale, it would have been straightforward to evidence – for example, with his messages with the buyer, proof of purchase for the shoes, and proof of delivery. Yet he did not provide any satisfactory evidence at all.*

*On the other hand, the alleged victim provided evidence to show that Mr Z scammed them. This included a screenshot to show that Mr Z blocked them, how they were initially asked to use a fake payment reference of “car wash” which matched up to Mr Z’s initial false story, how Mr Z had insisted on a bank transfer rather than a payment method like PayPal where the money could be more easily reclaimed, and how they spoke to a group admin and were advised that Mr Z had most likely scammed them.*

*I’m afraid I do also need to point out that Mr Z’s testimony has been contradictory. At different points he gave notably different versions of events about things like what the money was for, who it came from, and the delivery method he supposedly used. This means that I cannot reasonably rely on Mr Z’s testimony.*

*Finally, I’ve not seen any evidence which makes it seem implausible or unlikely that Mr Z was knowingly and willingly involved in fraud.*

*In summary, Mr Z received funds which were evidenced to have come from fraud. His activity on the account is consistent with him being knowingly involved in the fraud, and he appears to have been the main beneficiary of the fraud. He was unable to evidence any entitlement to the money even when it should’ve been straightforward to evidence. And Mr Z’s testimony has been contradictory.*

*As such, it seems fair that Monzo registered this fraud marker and that they did not remove it. It also seems fair that they closed Mr Z’s account, which they were allowed to do under the terms in this sort of situation. This is a difficult message for me to give, and I know it’s a difficult message for Mr Z to receive. But given the evidence I have so far, and the balance of probabilities, I’m currently unable to reasonably reach any other conclusion.*

I said I’d consider anything else anyone wanted to give me – so long as I received it before 21 October 2024. Mr Z didn’t reply, and Monzo let us know they had nothing further to add.

### **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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I’ve come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

### **My final decision**

I do not uphold Mr Z’s complaint in this case.

This final decision marks the end of our service’s consideration of the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 18 November 2024.

Adam Charles  
**Ombudsman**