

## **The complaint**

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

## **What happened**

In March 2024 Mr S was told by Monzo that they were closing his account. They also lodged a fraud-related marker on his record with CIFAS.

Mr S subsequently discovered the CIFAS marker as he was having difficulties with his main account and complained to Monzo.

Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Mr S brought his complaint to the ombudsman service.

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

Mr S 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 S 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 notification from another bank about their customer who'd been scammed into sending £236 to Mr S's account as the result of a purchase scam. Another customer then raised a dispute about a second credit of £210 paid into Mr S's account in March. So firstly, I can see that Mr S had no right to these funds.

As soon as these funds hit Mr S's Monzo account, he withdrew cash in both cases but also transferred the money to another of his accounts or to a third party's account held with

another payment service.

Mr S has told us he'd allowed a friend to use his account to accept credits. This friend was operating a side business repairing goods and selling them but was having difficulty with his own bank. As this relationship resulted in a CIFAS marker, Mr S was unable to provide us with any evidence of their relationship. I'm surprised about this as I'd have expected there'd have been WhatsApp chats or similar. It makes no sense to me that Mr S no longer has this evidence.

What's clear, however, that the transactions after Mr S received these disputed credits suggest Mr S benefitted from some of the funds. I appreciate he's told us he gave his friend cash but the cash withdrawals don't account for the full amounts received into Mr S's account. I think therefore I can conclude Mr S got, at least, part of those funds.

Monzo also asked Mr S about his entitlement to these funds before lodging the CIFAS marker. But in the absence of any evidence, they felt they had enough to suggest Mr S was involved with what happened.

I've also looked at Mr S's history of use of his Monzo account. Mr S held another account which he's told us was his main account. The Monzo account was used for small-value online gambling transactions and similarly small-value credits from friends. There's nothing massively unusual there until the two larger value credits.

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 S's Monzo account and what he did with the money.

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

As Mr S was only 19 when the CIFAS marker was added to his account, this remains on his record for three years.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 December 2024.

Sandra Quinn  
**Ombudsman**