

The complaint

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

What happened

In March 2023 Mr H closed his account with Monzo after receiving a credit of £140 and transferring this out. Monzo then lodged a fraud-related marker on his record with CIFAS.

Mr H 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 H brought his complaint to the ombudsman service.

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

Mr H disagreed with this outcome and provided evidence to show he'd been the victim of a bitcoin scam at this time and felt the credit was the scammers paying him as he'd complained about how much he was paying out. He's asked an ombudsman to consider his complaint.

I completed a provisional decision on 6 December 2024 and believed there was insufficient evidence for Monzo to have lodged a CIFAS marker.

Mr H accepted this outcome.

Monzo didn't. They were concerned about the evidence which suggested Mr H had changed his story of what had happened yet again. They provided further evidence to back up their view that they were right in applying a CIFAS marker.

I now have all I need to complete my final decision.

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 I did in my provisional decision after considering Monzo's further comments and evidence. 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 H was involved.

I've seen the evidence provided by Monzo. This confirms they received a notification from another bank about a customer who'd been scammed into sending £140 to Mr H's account to buy vitamins. This customer didn't receive what he'd purchased and was then blocked from contacting the person he thought he was buying from. There was nothing to show that this customer definitively believed Mr H was scamming him. I can see that Mr H probably had no right to these funds.

As soon as these funds hit Mr H's Monzo account, he transferred money to another of his accounts.

Mr H has told us he operates a side hustle selling clothes and other items. He initially felt this credit was for the sale of trainers but always admitted he never recognised the name of the person paying him. Subsequently Mr H provided us with evidence to show at exactly this time period (21 March 2023) he was involved in a bitcoin scam where he'd provided more than £570 to someone who was guaranteeing him certain financial returns. Mr H increasingly believed he was being scammed and was sharing his views with other individuals on this WhatsApp group. He's confirmed he believed this payment of £140 was given to him to encourage him into thinking he was getting credits from his investments.

Monzo never asked Mr H about his entitlement to these funds before lodging the CIFAS marker. They said this was because Mr H had already closed his account, but I'm satisfied they should have taken steps to contact Mr H. I still believe, despite their comments, this may have resulted in this being resolved earlier.

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 don't think this most likely exists here from reviewing the payment made into Mr H's Monzo account and his evidence.

Putting things right

I accept that Monzo believes what was going on wasn't above board and that Mr H's behaviour doesn't match an innocent victim. I have considered this aspect but note Mr H did get involved in something which turned out to be a scam and lost money of his own. This seems to have had an impact on the security of Mr H's personal details.

On the basis I don't believe there to have been sufficient evidence that Mr H was aware and involved in any fraud, it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

My final decision

For the reasons given, my final decision is to instruct Monzo Bank Ltd to remove the CIFAS marker from Mr H's record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 February 2025.

Sandra Quinn
Ombudsman