

## **The complaint**

Mr W complains Revolut Ltd recorded a marker against him at Cifas, a national fraud database and closed his account. He doesn't think it's treated him fairly.

## **What happened**

Mr W held a current account with Revolut. On 23 August 2023, the account was credited with £500 from a third party through a bank transfer. Mr W transferred these funds along with a separate amount that had also come in for £300 from a different source. Transferring £800 in total. However, the £500 incoming payment was later identified as fraudulent, because the bank from which it had come, notified Revolut its customer had been the victim of a fraud and scam.

Revolut restricted the account and requested some information from Mr W to explain the purpose of the payment. He responded but after a review, Revolut issued a notice to close the account and loaded a misuse of facility marker at Cifas as it didn't think Mr W had provided satisfactory information.

Mr W learned of the marker after he did a data subject access request to see what information was held about him. He complained to Revolut to say he'd not done anything to cause this and was a victim himself. However, Revolut didn't think it had done anything wrong in the steps it had taken.

Dissatisfied, Mr W referred his complaint to us. In doing so, he told our Investigator the following:

- The transfer related to an arrangement involving a common acquaintance, X who owed money to a mutual friend. X was supposed to repay the other person by contributing to his rental payment.
- But due to issues transferring the money directly to that friend, X had sent money to him (Mr W) and he'd been instructed by the friend that needed to be paid to forward it onto him.
- After this, X severed all contact.
- He'd given Revolut chat records, to show he was merely a third party assisting in a resolution of a debt between two people but none of this had been taken on board.
- The marker was having a profound effect on his day-to-day life, including causing significant trouble and upset.

One of our Investigators reviewed the case. She acknowledged what Mr W had said but she didn't think Revolut had treated him unfairly. This was based on the evidence Revolut had provided and in view of inconsistencies in Mr W's testimony. She also considered the account closure fair in the circumstances.

When an agreement couldn't be reached, the case was put forward for a 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.

This includes the information Mr W sent on 18 February 2025.

I'm sorry to disappoint Mr W but I'm not upholding his complaint. The marker that Revolut has filed is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. In order to file such a marker, it's not required to prove beyond reasonable doubt that Mr W is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant guidance says, there must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted and the evidence must be clear, relevant, and rigorous.

What this means in practice is that a firm must first be able to show that fraudulent funds have entered Mr W's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mr W was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity. To meet the standard of proof required to register a fraud marker, the firm must carry out checks of sufficient depth and retain records of these checks. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think Revolut has enough evidence to show fraudulent funds entered Mr W's account and he was complicit. And I'm satisfied that it has. I'll explain why.

I've seen evidence from Revolut that it received a report from a different third-party bank saying that funds which entered Mr W's account was because of a fraud. He doesn't dispute this.

Mr W says he understood that the £500 payment which entered his account was a payment from X to a mutual acquaintance and he was simply helping two friends. I've thought about this and can see he forwarded funds on, but I don't find the overall explanation persuasive. Firstly, I find it implausible Mr W wouldn't have questioned X directly, why he'd paid money into his account and couldn't send the funds directly to the acquaintance before making the transfers. But there's no evidence of this (before moving the money on). Secondly, there was another incoming payment for £1,000 the same day, which Mr W also sent to the same person.

We asked Mr W about the purpose of this transfer as it's relevant activity, and he said that the total amount to be paid over by X was £1,800. But the messages between him and the intended recipient only reference £800 – not £1,800. £800 is significantly different to £1,800, so if this was to do with the arrangement then I'd reasonably expect that to be in the chat transcript. But it isn't and, in any event, I can see that the Investigator contacted Mr W about the amounts when she did her investigation. He said, "*I can confirm that the total sum was indeed £800*". At no time does he correct matters to say the arrangement was to pay £1,800 – not until significantly later. I'm afraid Mr W's testimony isn't robust – it's altered a number of times – and this isn't something I'd expect him to be mistaken about, especially when asked to clarify earlier discrepancies. Mr W says he can provide a signed statement from his friend, but I don't consider this will change my findings as this is after the event.

Revolut has argued that it's notable that all the payments that came into Mr W's account were from people with different names – not X's name. I think a reasonable person seeing payments from someone they didn't recognise, would question that before taking any steps. But that didn't happen at the time. Mr W has suggested he wasn't paying attention, but I don't think that's credible, given he must have seen the incoming payment details to transfer the funds out. Weighing everything and what Mr W later provided, I can see why Revolut didn't think it had made a mistake in recording the marker and isn't willing to remove it. It follows that I won't be requiring its removal either.

I'm sorry to hear about the difficulties Mr W is experiencing in his day-to-day life because of the marker. But ultimately, looking at the facts of the situation, including the account activity, I'm satisfied Revolut had enough information to support the loading. For completeness, I'm also satisfied the account was closed in line with the account terms and conditions, so there wasn't any unfairness. I appreciate Mr W will disagree with the outcome, but this is my decision, which he isn't obliged to accept. However, my decision does now complete our consideration of his complaint.

### **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 Mr W to accept or reject my decision before 19 March 2025.

Sarita Taylor  
**Ombudsman**