

The complaint

Mrs A complains that Monzo Bank Ltd unfairly registered a marker about her at Cifas, the national fraud database. She wasn't the marker removed.

What happened

Background

Mrs A had an account with Monzo.

On 14 March 2024, a payment of just over £150.00 was made into Mrs A's account, from an individual I will refer to as B. After the payment was received Mrs A transferred most of the money to an individual, I will refer to as C.

The following day, Monzo were notified by another bank that the payment Mrs A had received from B was fraudulent and that their customer had been the victim of a scam.

Monzo reached out to Mrs A and asked her to tell them why she'd received the payment from B, and to provide any evidence she had to show she was entitled to the money. Mrs A told Monzo that the money was from a friend who was helping her to pay her bills. And she sent in screenshots of conversations she said she had between her and the sender of the money.

Monzo reviewed the information but didn't think it showed Mrs A was entitled to the funds. Following this Monzo decided to close Mrs A's account and placed a fraud marker against Mrs A's name with Cifas. This was for misuse of a facility in relation to retaining fraudulent funds.

Mrs A discovered the marker when another bank account she had was closed. She completed a subject access request with Cifas. Mrs A complained to Monzo and said that the marker was preventing her from opening other accounts. She also said that the marker was impacting her health, finances and family life. So, she asked Monzo to remove the marker.

Monzo reviewed everything including what Mrs A had told them. They asked Mrs A to tell them more about why she had received the money from B. Mrs A told Monzo that a family friend who earned money through TikTok didn't have his own account and asked her to receive the money on his behalf. And she pointed to other transactions on her account to support her explanation.

After reviewing everything Monzo said it wasn't willing to remove the marker.

Unhappy with this response Mrs A brought her complaint to our service. She wants Monzo to remove the marker. She said the marker has led to the closure of bank accounts she had. And that she hadn't known the funds were fraudulent.

An investigator looked into Mrs A's complaint and asked Monzo and Mrs A for some more information about what had happened. Mrs A told the investigator that she'd received the money from a family friend who was stranded and needed funds. She said she couldn't help him, but he had another friend who was able to transfer funds which she agreed to receive on his behalf to then send onwards in Naira.

After reviewing everything the investigator said that Monzo hadn't done anything wrong when it had recorded the marker against Mrs A's name. So, they didn't uphold the complaint. Monzo agreed with what the investigator said. Mrs A didn't. She wants the marker removed and said it is causing her a great deal of trouble and upset. As no agreement could be reached the matter has come to me to decide.

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.

The marker that Monzo filed with Cifas against Mrs A is intended to record that there's been a 'misuse of facility' – relating to using her account to receive fraudulent funds. In order to file such a marker, they're not required to prove beyond reasonable doubt that Mrs A is guilty of a fraud or financial crime, but they must show that there are grounds for more than mere suspicion or concern. Cifas 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 bank must first be able to show that fraudulent funds have entered Mrs A's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that the consumer was *deliberately* dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. But a marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show *deliberate* complicity. There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

Here Mrs A received funds into her account that were confirmed by a third -party bank to have originated from fraud. The bank reported that their customer had fallen victim to a scam.

Monzo told Mrs A that they had concerns about the payment that had been paid into her account by B. Monzo asked Mrs A to send them evidence of where the funds had come from and proof that the money belonged her. In response Mrs A told Monzo she'd received the money from a friend who was helping her pay her bills. She sent Monzo screenshots of conversations she said she'd had with person who sent her the money.

Whilst I'm satisfied Monzo did provide Mrs A with an opportunity to explain why she'd received the money from Mrs A, I think it could have explored things a little further. With this in mind, I can see the investigator asked Mrs A to provide any information she had about her entitlement to the money she received from B and what she did with it.

In response, Mrs A provided screen shots of the same conversations, she'd sent Monzo, and she told us that she was helping a family friend who was stranded and needed funds. She

said she couldn't help him, but he had another friend who was able to transfer funds which she agreed to receive on his behalf to then send onwards in Naira.

Based on Mrs A's response, I think if Monzo had asked Mrs A about the payments it's likely that she would have provided the same information to them.

So, I need to consider whether based on all the information including the evidence Mrs A has submitted to us, whether Monzo had sufficient evidence to meet the standard of proof and load a marker for misuse of facility with Cifas. Having looked at all the information provided, I'm satisfied they did, and I say this because:

- I've seen the evidence from Monzo that confirms they were notified by another bank that the money Mrs A received from B originated from fraud.
- Mrs A was asked by Monzo and this service about the money she received from B. Mrs A's testimony regarding the funds has changed three times over the course of the bank's investigation and our involvement in her complaint. Monzo gave Mrs A the opportunity to explain where the funds came from, and the purpose of the transaction and she initially told the bank on 8 April 2024 that the funds were from a friend who was helping out with bills.
- Later, on 21 June 2024, during a phone call with Monzo, Mrs A's story changed, and she told the bank that a family friend who earned money through TikTok didn't have his own account and asked her to receive the money on his behalf.
- However, when our service asked Mrs A why she received the funds, she told us that she was helping a family friend who was stranded and needed funds. She said she couldn't help him, but he had another friend who was able to transfer funds which she agreed to receive on his behalf to then send onwards in Naira.
- I've looked at the screenshots Mrs A has provided of what she says was the conversation between her and B. I can see Mrs A provides her account details customers account details and there is a mention of Mrs A's account not being 'fixed'. I can see from the conversation that the sender of the money has said they would send the money through now, but the timestamp shows the message was sent at 09:57, but Monzo has provided technical evidence that the fraudulent transaction credited Mrs A's account at 23:18, which leads me to believe the screenshots shared by Mrs A was related to a fabricated conversation. So, I'm not persuaded that this shows Mrs A was entitled to the money she received from B.
- Mrs A immediately transferred most of the funds to another individual, C. I can't see why Mrs A would do this if she was using the money to pay bills.
- There's also no plausible explanation for why Mrs A would provide three very different explanations about the money she received. Overall, this, taken together with my concerns about the screenshots, leads me to doubt the credibility of Mrs A's version of events and suggests to me that Mrs A was potentially involved in fraudulent behaviour.
- I've considered what Mrs A says about the impact the marker has had on her. But she hasn't described being placed under any duress or being especially vulnerable.
- In my view, based on all the evidence, I think it's most likely Mrs A allowed her Monzo account to be used for receiving fraudulent funds. And I think she was a willing participant in this and in moving the money on. And that she reasonably knew

this wasn't a legitimate activity. So, I'm not convinced Mrs A is an innocent party. I think the evidence shows that Mrs A was involved in a misuse of facility.

In summary, 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. Mrs A has received funds into her account that have originated from fraud. She has been unable to provide any corroborative evidence to support her testimony that she is an innocent party of the transfer of the funds and was unaware of their origins. I also find that the suspicious circumstances of the movement of the money, likely fabricated messages leading up to this arrangement, and conflicting explanations provided by Mrs A adds weight to this argument.

Having looked at all the evidence I'm satisfied this shows there were reasonable grounds to suspect that fraud had been committed. And from evidence I've seen that Mrs A was likely complicit in this. I'm satisfied had it done so, the marker would have achieved the burden of proof required. On this basis I didn't think it would be fair or reasonable to ask Monzo to remove the marker.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 14 March 2025.

Sharon Kerrison
Ombudsman