

The complaint

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

What happened

Miss H had held an account with Monzo since September 2023. In 2024 Miss H was told by Monzo that they were closing her account. This came after they questioned her about a credit made to her account. Miss H had told Monzo this was money being paid for her birthday, but Monzo noted this was at least a month before her birthday. Monzo lodged a fraud-related marker on her record with CIFAS.

Miss H asked Monzo to remove the marker because of the impact this was having on her ability to get an account. She was also struggling with her mental health. Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Miss H brought her complaint to the ombudsman service.

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

Miss H disagreed with this outcome. She's asked an ombudsman to consider her 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 Miss H 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 notifications from two other banks that their customers had sent money to Miss H's Monzo account as the result of impersonation scams. The first payment had been blocked but the second payment of £650 credited Miss H's Monzo account on 5 July 2024. Within 30 minutes of receiving this money, Miss H transferred it out of her account with the narrative *owed*.

I'm in no doubt that these funds didn't belong to Miss H. An identified fraud had been committed. However, I also need to be satisfied that Miss H knew what was going on when money that wasn't hers was being paid into her account.

Miss H has told us she'd allowed a friend (now no longer a friend) to use her account. She'd thought money was being transferred to help book arrangements for her birthday despite this being a bit away. She subsequently reported this friend to the police as she was being threatened by them.

But I don't accept what Miss H says. I've reviewed the evidence and asked whether she had any additional information to show the action she'd taken to report him to the police. Miss H has said she's provided all the evidence required already but none of this relates to this aspect.

I appreciate she's changed her story but understand why customers sometimes do this so have not judged her on this aspect. But without further evidence, I've had no explanation for her about what she thought was going on. As I can see Miss H was waiting for this payment – she sent it on within 30 minutes and described this as money owed. I wonder whether she'd have attached this narrative if in fact this was money to help book arrangements for her birthday.

I appreciate Miss H's testimony about the impact this has had on her, including the impact on her mental health and I have taken that into account.

I note Monzo did contact Miss H to question her entitlement to the money.

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 payment made into Miss H's Monzo account and what she's told our service.

On this basis I don't believe 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 not to uphold Miss H's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 10 February 2025.

Sandra Quinn
Ombudsman