

The complaint

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

What happened

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

Mr A subsequently discovered the CIFAS marker and complained to Monzo.

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

Mr A brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and initially felt that Monzo should remove the marker. After further evidence being submitted by Monzo, he reviewed his opinion and wouldn't ask Monzo to remove the marker.

Mr A 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 A 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 £700 to Mr A's account as the result of an impersonation scam. This followed a review Monzo had carried out three months before. So firstly, I can see that Mr A had no right to these funds.

As soon as these funds hit Mr A's Monzo account, he tried to send £650 onto a third party he regularly sent payments to, but this was blocked by Monzo.

Mr A has told us he'd allowed a friend to use his account and this transaction had been nothing to do with himself but his friend selling a car which he'd not known about. He allowed this friend to use his account because they were having difficulties with their wife. I note, however, that the various payments out of Mr A's account were supposedly made to this friend's wife.

Mr A blamed this friend for what had happened and the CIFAS marker that had been added to his record. He shared copies of screenshots showing conversations with this friend who appears to accept liability for this.

Unfortunately, I'm not convinced by this evidence. It's clear that the payment into Mr A's account was nothing to do with a car sale and some of the evidence Mr A has shared is conflicting and evidence of names used is confusing and doesn't match where the credit came from. I also note that Mr A was expecting to keep £50 of this credit.

I know there's also been some discrepancy about how long Mr A has known this friend and allowed him to use his account. I don't believe this aspect has played much of a part in my decision.

I also note that despite Mr A telling us he wasn't expecting this money into his account, he quickly transferred this out of his account which I don't believe matches what he's told us.

Monzo also asked Mr A about his entitlement to these funds before lodging the CIFAS marker. But despite what they were told, they felt they had enough to suggest Mr A was involved with what happened.

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 Mr A's Monzo account.

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 Mr A's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 January 2025.

Sandra Quinn
Ombudsman