

## **The complaint**

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

## **What happened**

A summary of what happened is below.

In February 2024, several payments came into Mr N's account at Revolut by bank transfer, with third party details. He withdrew those funds, however, some of the payments were later identified as fraudulent, because the bank from which they had come, notified Revolut its customers had been the victim of a fraud and scam.

Revolut restricted the account and requested information from Mr N to explain the purpose of the payments and supporting evidence. He told Revolut it was some business on the side, selling things and done in person, therefore he didn't have evidence for the payments.

Following a review, Revolut decided to close the account and it sent Mr N notification of its decision. At the same time, it also loaded a misuse of facility marker at Cifas, because it thought the activity on the account suggested Mr N was complicit in fraud.

Mr N learned of the marker after he did a data subject access request to see what information was held about him. Mr N complained to Revolut to say he'd not done anything to cause this. However, Revolut didn't think it had made a mistake. Dissatisfied, he referred his complaint to us. In doing so, he also told our Investigator what had happened:

- He sold electronics and other Apple items as a side thing.
- This was done on snapchat and by word of mouth through friends.
- Money was paid into his account, though usually done via PayPal.
- Revolut had asked him about the payments, and he'd provided all the information he had.
- Some information was on his phone, which had been stolen in a burglary.
- He'd made a mistake giving out his account details but had no control over the funds that were paid in.
- The marker was having a profound effect on his day-to-day life, including his mental health.

One of our Investigators reviewed matters, noting the fraud reports and that Revolut had asked Mr N for information to support he was entitled to the funds, but he'd been unable to provide supporting evidence. She also acknowledged what he'd said about his phone being stolen but could see Revolut had requested information before that had happened. Considering all these points, she didn't think the marker had been recorded unfairly or there had been a mistake.

Mr N didn't agree. He said:

- He'd told us why he was unable to provide information about the payments. Sales

were done by snapchat and verbally.

- He can't check buyers' credentials and it wasn't his fault he'd been sent fraudulent funds.
- He had given us screen shots from his PayPal account of sales he'd done.
- His phone had been stolen which was evidenced by the police report.
- He was willing to pay the money back and considered his treatment unfair.

The investigator set out that the screen shots didn't relate to the payments Mr N had been questioned about. When an agreement couldn't be reached on the outcome, 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.

I'm sorry to disappoint Mr N 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 N 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 N's account, whether they are retained or pass through the account. Secondly, the firm will need to have strong evidence to show that Mr N was deliberately dishonest in receiving fraudulent payments and knew they were, or might be, illegitimate. 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 N'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 reports saying that funds which entered Mr N's account was because of a fraud. Mr N says that as far as he was aware, this was money for things he'd sold, and he doesn't know anything else. But I'm not persuaded by his explanation. As Revolut didn't receive one report, it received several. The account movements also show that funds were removed immediately, which if they were legitimate, I'm not sure why there was such an urgency to do that. Against all of this, there's also no tangible evidence of what was sold and the arrangements for payment. Whilst Mr N says business was conducted on snapchat and/or verbally/in person, I don't think it's credible that there wouldn't be anything in relation to the payments.

I've also considered what Mr N has said about his phone being stolen, however, this doesn't change things, because Revolut asked Mr N for supporting information shortly after the payments (in February). So, if he had anything on his phone, I would have expected him to have already provided it. In any event, he told Revolut that he didn't have anything.

Weighing all of this, which includes the account activity, the available evidence shows Mr N was aware of the actual nature of the payments and I'm satisfied the evidence is rigorous.

Finally, I'm sorry to hear about the difficulties Mr N is having and accept he may not have fully appreciated this situation would result in a loading against him, but this isn't enough for me to require that the marker be removed. And for completeness, I don't find any error in Revolut's decision to close the account either, given the terms and conditions allowed for that. It follows that there simply isn't a basis for me to require Revolut do anything to resolve the 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 N to accept or reject my decision before 31 March 2025.

Sarita Taylor  
**Ombudsman**