

## The complaint

Mrs D complains that Monzo Bank Ltd unfairly registered a marker about her at Cifas, the national fraud database.

## What happened

Mrs D had an account with Monzo.

Between February and March 2024 several payments, totalling just under £10,500 were made into Mrs D's account, from an individual I will refer to as M. Mrs D transferred the funds to another account she held with a different bank, spent some of the money, and sent other funds overseas using an app-based money transfer service.

Monzo were notified by another bank that the payments were fraudulent and that their customer, M, had been the victim of a scam. Monzo blocked Mrs D's account whilst it looked into how best to react to the report it had received from the other bank.

As part of its investigation, Monzo contacted Mrs D and asked her to explain the payments from M. Mrs D told Monzo the funds were received 'for a family house project in our village and business establishment'. She also told Monzo she sent the funds overseas via an app based money remittance service to prevent delays, and to benefit from the exchange rate. When questioned about her relationship with the sender, she sent Monzo a photograph of a man.

Following this Monzo decided to place a fraud marker against Mrs D's name with Cifas. This was for misuse of a facility in relation to retaining fraudulent funds. Monzo also decided to close Mrs D's account.

Mrs D complained to Monzo and asked them to remove the marker. She said she hadn't done anything wrong and is an honest person. In response, MONZO said it wasn't willing to remove the marker.

Unhappy with this response Mrs D brought her complaint to our service. She wants Monzo to remove the marker and pay her compensation. She explained that the marker has impacted her mental health and led to other bank accounts she had being closed.

An investigator looked into Mrs D's complaint and asked Monzo and Mrs D for some more information about what had happened. Mrs D told the investigator her cousin had contacted her and asked her to receive some payments into her Monzo account. She said that her cousin had asked her to send the payments to third parties to pay for a project in Ghana.

Mrs D said she was innocent and didn't realise anything was wrong with the funds. She said Monzo should've provided her with a warning before applying the marker. And that she never spent any of the money she received from M.

The investigator asked Mrs D to provide evidence to support her explanation. And copies of her other bank account statements. In response, Mrs D provided undated screen shots of messages she said she had with her cousin and other relatives, along with her pay slips.

After reviewing everything the investigator said that Monzo hadn't done anything wrong when it had recorded the marker against Mrs D's name. So, she didn't uphold the complaint.

Monzo agreed with what the investigator said. Mrs D didn't. She wants the marker removed. 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 D 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 D is guilty of 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 D'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.

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

- I've seen the evidence provided by Monzo. This confirms that MONZO received a fraud report from a bank whose customer, M, felt he'd been defrauded in when he sent money to Mrs D's account.
- Monzo has provided evidence to show that Mrs D transferred the money paid into her account by M to another account in her name with a different bank.
- I know Mrs D disputes spending any of the money she received from M, but this is contrary to the evidence provided by Monzo. From looking at Mrs D's account statement I can see that Mrs M used some of the money she received at various retailers.
- Mrs D has also provided screen shots that show she used a money transfer service to send a number of payments to several individuals overseas. Mrs D hasn't disputed

any of the transactions, so it's likely she was responsible for moving the fraudulent funds quickly through her account and onto her account and others. I think this action is significant. It's also contrary to what Mrs D told the investigator and Monzo which was that she hadn't benefitted from fraudulent funds. I think the speed at which the funds were moved and spent suggests Mrs D was most likely expecting the payments from M.

- If Mrs D had been the unwitting beneficiary of fraudulent funds, and that she'd been tricked by her cousin, I would've expected her to alert Monzo at the time in order that her account could be safeguarded against fraud. But I haven't seen that she did so.
- I note too that Mrs D has provided different explanations about the money – initially she told Monzo, she was receiving the funds for a project in her village, and a business establishment. She also queried whether it was wrong to receive more than £5,000 from her family/friends. She didn't mention her cousin's involvement at this point – which I would've expected her to do.
- Mrs D then told our service (and Monzo when she complained on 18 June 2024) that she received the reported funds because her cousin told her he wanted to start a project in Ghana, so provided her Monzo account details following their phone conversation. She said her cousin had tricked her into receiving fraudulent funds. And she provided copies of text messages she said she exchanged with her cousin.
- The text messages, (which are undated), that Mrs D shared with our service show she did provide her account details to somebody. But the conversation doesn't appear to be a follow up to a phone conversation regarding a project in Ghana – rather, the messages suggest she was simply asked for her account details, and she happily provided them.
- Mrs D hasn't provided any evidence about her arrangement with her cousin which would support her explanation – for example the communications which led up to her agreeing to allow him to use her account. She's also not provided any evidence about the existence of any project or of the work that was allegedly planned in Ghana.
- I appreciate Mrs D says she can no longer get in contact with her cousin. But I find the fact there is no evidence at all just isn't credible – especially if as Mrs D has suggested, this arrangement all came about via a relative.
- I note too that none of the screen shots of the transfers Mrs D made using the app-based transfer service have any references to a building project, and are for different amounts, which if Mrs D explanation that this was a business arrangement is truthful, I find unusual.
- This leads me to doubt the credibility of Mrs D's version of events and suggests to me that Mrs D was potentially involved in fraudulent behaviour.
- I've considered what Mrs D says about the money paid into her account. But in my view, based on all the evidence, I think it's most likely she allowed her Monzo account to be used for receiving fraudulent funds. So, I'm not convinced Mrs D is an innocent party. I think the evidence shows that Mrs D 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. When I weigh everything up, I think this most likely exists here from reviewing all of the evidence.

Having looked at all the evidence I'm satisfied this shows there were reasonable grounds to suspect that fraud had been committed. And from all the evidence I've seen that Mrs D was likely complicit in this. So, I don't believe it would be right 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 D to accept or reject my decision before 16 January 2025.

Sharon Kerrison  
**Ombudsman**