

The complaint

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

What happened

Miss B had held an account with Monzo since early 2023. This wasn't her main account as her salary was paid into another account. In 2024 Miss B was told by Monzo that they were closing her account. This came after they questioned her about two credits made to her account. Miss B explained she was receiving a gift from a relative. Monzo also lodged a fraud-related marker on her record with CIFAS.

Miss B asked Monzo to remove the marker because of the impact this was having on her ability to get an account. Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Miss B brought her complaint to the ombudsman service.

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

Miss B 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 B was involved. This means that they must have more than a suspicion or a concern that Miss B may be 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 B's Monzo account as the result of a rental scam within the same community as Miss B. A payment of £150 credited Miss B's Monzo account on 2 April 2024. Then £500 was credited two days later. At the same time as these credits were received, Miss B transferred the money and also withdrew

£250 from a cash machine.

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

Miss B has told us she was receiving money from different accounts in the UK although the money was originally sent from family accounts overseas. She didn't know why it came from different locations – despite her thinking she was getting a gift of money she could use for her rent.

The difficulty with this story is that I'm just not convinced by Miss B's testimony. She received money from three complete strangers and didn't question this. The evidence she's supplied since our investigator provided her view only seems to match the story she's telling us now. I wonder why this wasn't all provided originally.

On the other hand, messages Miss B shared with us much earlier just seems to indicate she'd be receiving funds but not why or who this was from. In fact, based on those original messages, I believe it's most likely Miss B was involved in the scam.

I appreciate Miss B's testimony about the impact this has had on her, and there's no dispute she is having difficulties finding a bank account and ensuring she can get regular payments from her employer.

I note Monzo did contact Miss B 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 payments made into Miss B's Monzo account and from 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 B's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 19 February 2025.

Sandra Quinn
Ombudsman