

## **The complaint**

Mr M complains Revolut Ltd treated him unfairly when it recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly.

## **What happened**

A summary of what happened is below.

Mr M held an account with Revolut. On 8 January 2023 it was credited with £200 from a third party, through a bank transfer. Shortly afterwards, Mr M transferred the funds out to another third-party. However, the bank from which the funds had originally come notified Revolut that its customer had been the victim of a scam.

Revolut restricted the account whilst it reviewed the activity, and it sent £200 back to the third-party bank on 18 January 2023. Mr M contacted Revolut because his card had been declined – and he said he didn't know why. He also noticed that Revolut had removed £200.

Following a review, Revolut closed the account. At the same time, it also filed a misuse of facility marker at Cifas, as it believed Mr M had been complicit in receiving and sending fraudulent funds on.

Mr M found out about the marker when he did a Data Subject Access Request (DSAR) to see what information was held about him and he complained to Revolut in June 2024 that he'd not done anything to cause this. He said, the £200 was for a car service he'd performed. Revolut asked for supporting information to understand some more. Mr M said, he had no relationship with the payer, but they'd somehow got his details by mistake from one of his friends associates and sent him the money by accident. The payer had then raised a 'chargeback' after he'd forwarded the money to the right person. He said the marker was causing him difficulties and he'd like it removed as this was a mistake.

Revolut reviewed the complaint but didn't think it had made a mistake in the steps it had taken. Dissatisfied, Mr M referred his complaint to us. In doing so, he told us what happened:

- He reiterated that he'd received the payment by accident and in accordance with the instructions he forwarded them on straight away, acting in good faith.
- Revolut's actions had left him in a difficult position both financially and emotionally.

One of our Investigators looked at the case. They acknowledged what Mr M had said and provided but they didn't find his explanation plausible, when looking at what Mr M had said about why he had received the payment. They concluded Revolut had enough evidence to justify recording a misuse of facility and terminating the account.

Mrs M didn't agree and when the Investigator didn't change their mind, the case was put forward for a decision, as the second and final stage of our process.

## 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 M 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. To file such a marker, it's not required to prove beyond reasonable doubt that Mr M 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 bank must first be able to show that fraudulent funds have entered Mrs M's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mr M was deliberately dishonest in receiving the fraudulent payments and knew it was, or might be, an illegitimate payment. 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 bank must carry out checks of sufficient depth and retain records of these. 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 M's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

I've seen evidence from Revolut that it had received a report saying that funds which entered Mr M's account was because of a scam.

I've also looked at Revolut's records when Mr M was in contact with it. When he complained he said the payment was for a car service he'd done. He wrote:

*"...the situation that has happened here is that someone has sent me money for a car service I have provided and then they have Done a Chargeback on me and try to get there money back..."*

Revolut asked for more information about the payment and any supporting documentation, and Mr M said he'd received the funds by accident and simply forwarded them onto the right person. But both accounts he's given are distinctly different. On the one hand, he told Revolut that this was money for services he'd rendered and then, on the other hand, he's later said the money wasn't for him but someone else. At points he's also said he has no link with the payer but sent the money to someone else having been instructed. The testimony isn't very credible. Mr M also hasn't presented any tangible evidence to support either arrangement with the parties involved. Revolut also said there wasn't any satisfactory supporting evidence.

Whilst I've also considered the other information Mr M has provided, I haven't found what he's said persuasive. There's not in enough in the details he's given, for me to find he was an unwitting participant in the payments. And this was Revolut's position.

I am sympathetic to the effect the marker is having, but ultimately Revolut's evidence shows there was a misuse of its facility, with fraudulent funds entering the account and them being removed quickly with Mr M's assistance. In view of this, and the other evidence, I don't think it acted unreasonably in taking any of the steps that it did, which includes closing the account (there's provision for that in the agreement). It follows that I won't be asking Revolut to do anymore.

This now completes our review of 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 M to accept or reject my decision before 21 April 2025.

Sarita Taylor  
**Ombudsman**