

The complaint

Mr H complains that Revolut Ltd unfairly registered a marker about him at Cifas, the national fraud database.

What happened

Mr H had an account with Revolut which he'd opened in 2023.

On 4 May 2023, a payment of just over £260 was made into Mr H's account, from an individual I will refer to as Mr N. After the payment was received Mr H transferred most of the money to an individual, I will refer to as Mr V and sent £50 to another account in his name.

Revolut were notified by another bank that the payment Mr H had received from Mr N were fraudulent and that their customer had been the victim of a scam.

Revolut decided to block and then close Mr H's account. Following this Revolut decided to place a fraud marker against Mr H's name with Cifas. This was for misuse of a facility in relation to retaining fraudulent funds.

Mr H discovered the marker when he completed a subject access request with Cifas. Mr H complained to Revolut and said that the marker was preventing him from opening other accounts. So, he asked Revolut to remove the marker.

In response Revolut asked him to explain the payment from Mr N. And to provide evidence of his entitlement to the funds. In response Mr H explained that he had been involved in a car accident in May 2023, and that the bumper of his car had been damaged. Mr H said that the money he received was to pay for repairs to his car. But he didn't any paperwork, such as invoices for repairs to support his explanation. Mr H sent Revolut a photograph of the damage to his car. Mr H said that the payment was above board and he'd done nothing wrong. Revolut asked Mr H to provide further evidence to support his explanation, but Mr H said he couldn't provide any communications between him and Mr N – and didn't have his details.

Revolut reviewed everything including what Mr H had told them. After doing so, it said it wasn't willing to remove the marker. But acknowledged that it should have asked Mr H for more information even though it wouldn't have changed the outcome.

Unhappy with this response Mr H brought his complaint to our service. He wants Revolut to remove the marker. He said the marker has led to the closure of bank accounts he had. And that he hadn't been able to open an account with a high street bank. He maintained that he hadn't done anything wrong and wasn't a fraudster.

An investigator looked into Mr H's complaint and asked Revolut and Mr H for some more information about what had happened. Mr H told the investigator:

- He couldn't provide any invoices for the repairs to his car as the garage couldn't trace

the invoice.

- The garage had changed hands so no longer had access to the record relating to the work on his car. So, he couldn't provide any paperwork.
- He didn't exchange contact details with the third party involved in the car accident with him.
- He hadn't reported the car accident to his insurance.
- He sent Mr V money to pay for football tickets he'd been promised.

After reviewing everything the investigator said that Revolut hadn't done anything wrong when it had recorded the marker against Mr H's name. And closed his account. So, they didn't uphold the complaint.

Revolut agreed with what the investigator said. Mr H didn't. He wants the marker removed and said that is impacting his credit file and ability to open a bank account. 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 Revolut filed with Cifas against Mr H is intended to record that there's been a 'misuse of facility' – relating to using his account to receive fraudulent funds. In order to file such a marker, they're not required to prove beyond reasonable doubt that Mr H is guilty of a 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 Mr H'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 Revolut should be giving the account holder an opportunity to explain what was going on.

Here Mr H received funds into his account that were confirmed by a third -party bank to have originated from fraud. The bank reported that their customer had been scammed into buying tickets to a sporting event that turned out to be fake.

In May 2024, Revolut told Mr H that they had concerns about the payment that had been paid into his account by Mr N. Revolut asked Mr H to send them evidence of where the funds had come from and proof that the money belonged to him. In response Mr H told Revolut he'd been involved in a car accident and the money he'd received from Mr N was to pay for repairs. He sent Revolut a photograph of what he said was his car. And the damage to it. But he didn't provide anything else.

Whilst I'm satisfied Revolut did provide Mr H with an opportunity to explain why he'd received the money from Mr H, I think it could have explored things a little further. I note too that it didn't do this at the time it decided to load the marker – it only did so when Mr H complained. With this in mind, I can see the investigator asked Mr H to provide any information he had about his entitlement to the money he received from Mr H and what he did with it.

In response, Mr H provided a screen shot of the same photograph he'd sent Revolut – which showed a car with a scratch to its front bumper. Mr H said he didn't have any contact details of the person who had caused the damage to his car and didn't have any invoices, of the repairs. Mr H said he had visited the garage who carried out the repairs, but it had changed ownership, and they had no records of the work. So, he couldn't provide anything else.

Based on Mr H's response, I think if Revolut had asked Mr H about the payments it's likely that he would have provided the same information to them.

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

- I've seen the evidence from Revolut that confirms they were notified by another bank that the money Mr H received from Mr N originated from fraud.
- Mr H has explained why he received the payments from Mr N – that he had been involved in a car accident and agreed with the third party that they would pay for the repairs to his car. And he has sent a screenshot of photograph of a car with a damaged bumper. The evidence he has supplied simply shows a car with a scratched bumper. I've considered this evidence, but I'm not persuaded that this shows Mr H was entitled to the money he received from Mr N.
- Mr H hasn't provided any evidence about his arrangement with Mr N which would support his explanation, such as any messages between him and Mr N prior to him receiving the funds. In fact, Mr H has told us and Revolut that he didn't have the contact details of the person who hit his car. I find this very odd given that its usual practice to exchange contact details at the scene of a car accident. So, I can't see how Mr H expected to receive money to repair his car.
- Mr H hasn't been able to provide any details of the garage which he says repaid his car and can't provide any invoices of any work. I find the fact there is no evidence at all just isn't credible. If this was a legitimate transaction, I'd expect there to be some evidence that led up to this arrangement which Mr H could provide. But nothing has been provided.
- What is more, after receiving these funds from Mr N, Mr H quickly transferred them out to another individual Mr V. If this was a car accident, I can't see why Mr H would do this.
- Most significant is that Mr N provided a different explanation to his bank when he told them he'd fallen victim to a scam. And about why he sent Mr N money. I note too that the reference on the payment was 'tickets' – and made no reference to car repairs or an accident. I've also kept in mind Mr N has told us that he owed Mr V money for football tickets. Overall, this leads me to doubt the credibility of Mr H's version of events and suggests to me that Mr H was potentially involved in fraudulent behaviour.
- I've considered what Mr H says about the impact the marker has had on him. But he hasn't described being placed under any duress or being especially vulnerable. In my view, based on all the evidence, I think it's most likely he allowed his Revolut account to be used for receiving fraudulent funds. And I think he was a willing participant in this and in moving the money on and spending it. And that he reasonably knew this

wasn't a legitimate activity. So, I'm not convinced Mr H is an innocent party. I think the evidence shows that Mr H 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. Mr H has received funds into his account that have originated from fraud. He has been unable to provide any corroborative evidence to support his testimony that he is an innocent party of the transfer of the funds and was unaware of their origins. I also find that the suspicious circumstances of the movement/use of the money, lack of evidence of communications leading up to this arrangement, and conflicting explanations provided by Mr N adds weight to this argument.

Having looked at all the evidence I'm satisfied this shows there were reasonable grounds to suspect that fraud had been committed. And from evidence I've seen that Mr H was likely complicit in this. So, while I acknowledge Revolut didn't ask Mr H very much about the money (as it should have) and could have done more to investigate the wider circumstances about the payment Mr H received and given Mr H more of a chance to defend his position, I'm satisfied had it done so, the marker would have achieved the burden of proof required. On this basis I didn't think it would be fair or reasonable to ask Revolut to remove the marker or pay Mr H compensation.

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 Mr H to accept or reject my decision before 6 March 2025.

Sharon Kerrison
Ombudsman