

The complaint

Mr M complains Monzo Bank Ltd loaded his details to a fraud marker database.

What happened

Mr M says he opened a Monzo account as a savings account, but then lost his job so he didn't use the account. Mr M then tried to use the account again but found out it was closed, and he'd been loaded to a fraud database.

Mr M says he has no knowledge of the large payment paid into his account and was previously the victim of identity fraud, so someone else must have made the payments.

Mr M complained to Monzo, and it responded to say it had followed its internal procedures, had reviewed things twice, but wouldn't remove the loading.

Unhappy with this answer Mr M brought his complaint to this service. An investigator looked into things but didn't think Mr M's complaint should be upheld.

The investigator said the fraudulent money paid into Mr M's account was paid out to a crypto exchange site he'd previously paid out to.

The investigator accepted Mr M had been the victim of identity theft previously. But the investigator said this was in 2017, the Monzo account was opened in 2020 and Mr M had confirmed he opened this account.

Mr M said he could prove the money paid out didn't go to his crypto account. But Mr M didn't send anything in to show this. Mr M asked for an ombudsman to decide things.

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.

Mr M says he didn't use his Monzo account, but I think he did.

Mr M paid 10p to his account on 28 October 2020, £5 on 29 April 2021 and, importantly, £15 on 3 May 2021. Also, on 3 May 2021, Mr M paid out £20 to a crypto exchange site.

I'm satisfied the payments into the Monzo account I mentioned above were made by Mr M, the payments came in from another account in his name.

I think Mr M was using his account on 3 May 2021, receiving money from another of his accounts and paying out to the crypto exchange site.

I'm further persuaded this is the case because the device used to open Mr M's account wasn't changed. This means the transactions were likely made with Mr M's mobile, certainly the same device was used to open the account and make the payments.

And there's no dispute Mr M opened the account, with this device. So, I think there's little dispute Mr M made the payments on 3 May 2021.

On 5 May 2021, two days after Mr M last used the account, over £2,900 was paid in and this was moved out to the same crypto exchange site Mr M used on 3 May 2021.

The payment Mr M received on 5 May 2021 was reported as fraudulent, so Monzo closed Mr M's account and loaded his details to a fraud database.

But just receiving fraudulent money into an account isn't enough for Monzo to fairly load a fraud marker. Monzo also needs to show Mr M was somehow complicit in the payment itself or moving the money on.

Specifically for Mr M's complaint, I think Monzo has shown enough to say Mr M moved the fraudulent money on.

Mr M says he knew nothing about the payment in or where it went, but I'm not persuaded by this.

Mr M was using his Monzo account two days before the fraudulent payment was credited, and the payments out were made with the same device Mr M used to open the account and make payments on 3 May 2021, with Mr M's money.

Mr M says he can prove money didn't go to any account in his name but had several months following the investigator's assessment to send in any proof he feels is relevant. Mr M's not sent anything in, and even if he did I don't think it would change my decision.

The payments out of Mr M's account were made to a crypto exchange site, where Sterling payments are converted to crypto and paid into wallets. These payments wouldn't necessarily be going to Mr M's crypto wallet.

So, if Mr M provided his own wallet details this wouldn't prove the money wasn't exchanged by him, it would only show it wasn't exchanged between Sterling and his own wallet.

Mr M's sent in lots of evidence to show he was the victim of identity theft in 2017. But I don't think this is relevant to what happened in 2020 or 2021.

There's no dispute Mr M opened the Monzo account. And I don't think it's likely whoever carried out the fraud in 2017 waited over three years before somehow accessing Mr M's Monzo account, crediting fraudulent money and then making these payments.

And this is even more unlikely since the same device was used to open Mr M's account and make the payments. Someone would have needed access to Mr M's personal details, which is possible, but then the same device Mr M was using just two days prior.

I think it's very unlikely someone had access to Mr M's device so soon after he used it to make legitimate payments from his Monzo account.

I think it's much more likely Mr M used his Monzo account on 3 May 2021 as a test, to make sure it was still working, then received the fraudulent money and moved it out to the crypto exchange site.

This means I think Monzo has enough evidence Mr M was complicit in moving this fraudulent payment on. Mr M's not provided any evidence to explain why he did this, Mr M's

just maintained he didn't make the payment.

Since I think Monzo has enough evidence of Mr M's complicity to reach a reasonable decision to load the fraud marker, I won't be asking Monzo to remove it.

My final decision

My final decision is 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 8 May 2025.

Chris Russ
Ombudsman