

The complaint

Mr A has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In July 2024 Monzo closed the account Mr A held with them. They'd received a fraud report from another bank about a credit of £300 paid into Mr A's account. Monzo then lodged a fraud-related marker on his record with CIFAS.

Mr A subsequently discovered the CIFAS marker as his main current account was closed. Mr A complained to Monzo.

Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Mr A brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and believed there was enough to suggest Mr A didn't know about any fraud. He also felt this showed the transactions Mr A made on behalf of a friend. He also asked Monzo to pay Mr A £300 for the distress caused.

Monzo disagreed with this outcome and have asked an ombudsman to consider his complaint.

I completed a provisional decision on 22 May 2025. I continued to ask Monzo to remove the marker from Mr A's record, but I wasn't convinced that compensation should be payable.

Mr A accepted this amended outcome.

Monzo continued to disagree. They provided evidence to support their opinion, which included their original business file, comments from CIFAS and screenshots which our investigator had shared with Monzo. They also confirmed that anybody acting as a money mule doesn't have to have knowledge of the crime to be committed and therefore they were convinced the CIFAS marker should be retained.

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 I did in my provisional decision. I'll explain further.

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 Mr A was involved. This must go above Monzo having a suspicion of Mr A's involvement.

There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I'm afraid I disagree with Monzo's assessment that an unwitting money mule remains guilty and that's sufficient for a marker to be retained. In fact CIFAS's own advice on this matter confirms *“If a member feels that a consumer could not have reasonably protected themselves then the case **must** not be filed”*. As with all CIFAS cases, there is a high bar for a marker to be applied.

I note Monzo's strength of feeling in their response to my provisional decision that the marker should not be removed. They've asked whether we asked CIFAS for their evidence but Monzo will already be aware that is not our standard practice. I have noted what CIFAS stated in their correspondence with Monzo but I've not seen anything within that which has made me change my mind. There was no new information provided.

I've seen the evidence provided by Monzo. This confirms they received a notification from another bank about a customer who'd sent £300 to Mr A's account as a victim of an impersonation scam. So it's clear that the money wasn't Mr A's.

But this on its own isn't sufficient to show Mr A knew what was going on and was involved. Monzo believes that Mr A's evidence to them has been contradictory but again, that isn't sufficient on its own to show Mr A was involved. They've also confirmed they believed Mr A profited from what happened.

I remain of the opinion that the evidence is not that clear cut. That said I accept there are some inconsistencies in what Mr A has stated. However, as Monzo will be very aware, this is not particularly unusual in cases like this. And being unable to explain clearly what happened, doesn't mean that it's fair and reasonable to lodge a CIFAS marker.

Mr A has provided us with copies of his WhatsApp messages (which Monzo has subsequently seen). These show he was trying to make a payment on behalf of a close friend to pay for medical assistance. I can also see correspondence which confirms the money he was receiving into his account – the disputed £300 – was supposedly a loan to help him make this payment.

I've also seen evidence of Mr A's international transfers – and the payment he made into the international transfer app prior to receiving any of the disputed credit. This all matches what he's told us. I can see some of the financing of this payment involved Mr A's own money from his other bank account. This explains why some money remained in Mr A's Monzo account. Nothing that Monzo has provided subsequently has changed these facts.

On balance I'm not convinced that Mr A was acting as a money mule. There'd be no reason for Mr A funding this payment that he made from his international transfer app if this was the case. I'm satisfied his WhatsApp messages back up his story.

Monzo asked Mr A about his entitlement to the disputed payment before lodging the CIFAS marker which they are supposed to do.

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 don't think the evidence required most likely exists here from reviewing the payment made into Mr A's Monzo account and his evidence. I note that Mr A was able to provide us with additional evidence, which we shared with Monzo. So I can see initially why Monzo decided to lodge a marker. That's why I decided they shouldn't have to pay any compensation to Mr A.

On this basis I 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 to instruct Monzo Bank Ltd to remove the marker from Mr A's record with CIFAS.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 July 2025.

Sandra Quinn
Ombudsman