

## **The complaint**

Mr A complains that Monzo Bank Ltd blocked his current account and reported a CIFAS marker against his name. He'd like the CIFAS marker removed.

## **What happened**

In May 2024 Mr A opened a current account with Monzo. He received multiple payments into the account and made several payments out. Monzo were concerned about these transactions so blocked Mr A's account. They asked him about them. Mr A didn't respond, and his account was eventually closed. Monzo also added a CIFAS marker.

When Mr A became aware he had a CIFAS marker, he got back in touch with Monzo and asked why they'd reported it against him. Monzo asked Mr A once again about the transactions. Mr A said the transactions were from his friends and they were to help show him how to use his new account. Monzo also asked about some transactions to a particular individual made from his account. Mr A said they were to support his friend's new business venture. He provided text messages as evidence, which showed why Mr A was accepting the funds. Monzo reviewed the answers Mr A gave alongside the evidence he provided but maintained that the CIFAS marker had been added correctly.

Mr A complained. Monzo considered Mr A's complaint but were satisfied with the actions they'd taken. They didn't agree to remove the CIFAS marker.

Mr A brought his complaint to this service. One of our Investigators considered the matter. She asked Mr A for evidence of his side of the story. Mr A provided screenshots of conversations between him and his friend about the funds. He said he thought he was helping his friend with his business. The Investigator said Mr A's story wasn't consistent and she thought he ought to have known that the funds he was receiving were fraudulent. As such, she didn't recommend that Monzo remove the CIFAS marker.

Mr A said he had further information to support his story and that he had been manipulated into believing he was helping his friend. The investigator allowed him more time, but nothing was provided. Mr A asked for an Ombudsman to decide the case, so it's been passed to me to consider.

## **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.

Recording a Cifas marker against someone is a serious step by a financial business. A marker should only be recorded if there are reasonable grounds to believe a fraud or financial crime has been committed or attempted and the evidence must be clear, relevant and rigorous.

The standard is not, however, that fraud has been proved. Rather, it is that there is

reasonable suspicion that fraud has been committed or attempted. In considering this complaint, I am deciding whether it was fair for Monzo to decide the threshold to record a Cifas marker has been met.

In addition to the Handbook's burden of proof, Cifas released guidance to its members in March 2020 providing best practice guidance when filing markers against 'Money Mules' against the National Fraud Database. As Mr A had received reportedly fraudulent funds into his account held with Monzo, I find that the guidance is relevant in these circumstances.

The second part of the burden of proof requires more than mere suspicion of the consumer's willing involvement of the alleged activity to load them to the database. This is further supported by the 'Money Mule' guidance that sets out that *"You must have evidence to show that the consumer was aware that the payment they were receiving was, or might be from an illegitimate source."*

Broadly, it also highlights the need to consider evidence supplied by the consumer and says that contact should be made with them prior to deciding to load the marker. This is typically to establish if the consumer has themselves been victim to a fraud or has been duped into unwittingly laundering funds through their account.

The marker that Monzo have filed with Cifas is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds.

Monzo received two separate reports about fraudulent transactions that entered Mr A's account on 15 and 16 May 2024. These were for the amounts of £70 and £65. Mr A instantly transferred the £70 to a different account and moved the £65 to an account in his name.

When Monzo initially asked Mr A about these transactions, he didn't respond. When he realised that the CIFAS marker had been reported against him, he got back in touch with Monzo. Monzo asked him once again about these transactions and he said they were from his friends. Since then, he has said that a friend he met on a cryptocurrency trading website told him what to say and he has since realised that his friend wasn't somebody he could trust. He thought he was helping his friend with his crypto business, and this was something he wanted to get involved in too, so he did what he was told.

I've thought about what Mr A has said and considered all the evidence available, but I'm not persuaded by his version of events. Mr A has altered his story throughout the life of the complaint. I'm aware people can be unwitting but then be nervous about explaining precisely what happened because of fear of getting in trouble. But even if I were to accept the changes in his testimony were a product of fear, after things had gone wrong, I think it's more likely than not he was aware at the time the payments he received were illegitimate and I've explained why below.

One of the transactions that was reported as fraudulent had the reference 'MCFC ticket'. So, even if I give Mr A the benefit of the doubt and assume he thought he was helping a new friend by opening the account and accepting payments for crypto trading– I think the reference of this payment should've meant Mr A recognised it wasn't related to cryptocurrency.

Moreover, when Mr A was being asked about the transactions by Monzo, he was asking his friend what to say back. In one of his messages, he referenced one of his accounts with another provider previously being blocked for similar reasons. So, I think it's more like than not he knew, or suspected, that this was an illegitimate payment.

The screenshots Mr A has provided aren't date stamped and there are parts of the conversations missing. So, I think Mr A has used parts of the conversation to support what he is saying but left out other parts. This, alongside his change in story means I'm not persuaded by his version of events.

Taking the above into account, I think it's more likely than not that Mr A knew he was accepting funds into his account that could possibly be fraudulent. Therefore, it follows that Monzo has met the burden of proof – which is that there are reasonable grounds for them to believe a fraud or financial crime has been committed or attempted by Mr A. As such, I will not be asking them to remove the CIFAS marker that has been recorded.

### **My final decision**

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 April 2025.

Rachel Killian  
**Ombudsman**