

The complaint

Mr A complains Monzo Bank Ltd unfairly loaded him to a fraud database.

What happened

Mr A was sent £110 by a friend, and sent £100 of it overseas. Mr A was then contacted by Monzo, it asked about the payment and what it was for. Mr A sent in some screenshots of the conversation with his friend and proof of the payment.

Monzo then blocked Mr A's account, closed it and loaded Mr A's details to a fraud database. Unhappy with this, Mr A complained to Monzo and it responded to say it had closed his account, returned the money in it to him and wouldn't remove the fraud marker.

Mr A brought his complaint to this service and an investigator looked into things but didn't think Mr A's complaint should be upheld. The investigator thought Mr A's testimony didn't show he was an innocent victim here.

The investigator said Mr A's friend said the money was clean, and asked him to be active, the investigator thought this meant Mr A needed to be ready to move the money on very quickly. The investigator also said Mr A kept £10 of the payment.

Mr A disagreed with this outcome and said he didn't hear anything about from Monzo about its investigation, and if he had he would have been able to evidence more messages about the credibility of the money.

Mr A said the investigator misinterpreted the messages, and being told the money was clean shouldn't have meant Mr A doubted his friend. Mr A said his friend is outside of the UK and it's difficult to get money to him, so it seemed normal to use Mr A's account.

Mr A said the message about being active is simply Mr A being online and ready to talk, he was working a lot of shifts around this time. Mr A said the fraud marker has to be loaded because of evidence, not assumptions.

Mr A said the length of time he'll be on the fraud database is unfair and he's learnt his lesson. And Mr A said he had no idea his friend was doing something fraudulent.

Mr A said he wouldn't have done something like this for such a small amount of money, and someone needed to interpret his messages properly.

Mr A 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.

For Monzo to fairly load Mr A to a fraud database it needs to show Mr A received fraudulent

money into his account and knew, or should reasonably have known, the money he received wasn't legitimate.

There's no dispute Mr A received fraudulent money into his account. The £110 was paid to Mr A's account from someone with the first initial A. And this person told their bank they'd been the victim of a scam and paid the £110 to Mr A's account.

Since I'm satisfied this payment was fraudulent, I have to consider whether Mr A knew, or should reasonably have known, this payment wasn't legitimate.

Mr A's supplied some messages showing the payment confirmation, they're from an auntie A and appear to have been sent to Mr A's friend, S.

Monzo says the messages have likely been doctored, and I agree there are things wrong with these messages. It seems S sent A Mr A's account details, including an international bank account number (IBAN).

But the earlier message, where Mr A gives S his account details, there's no IBAN there.

I think Mr A messaged S later to give his account details again, so S could construct the messages to try and show Mr A's innocence. I also believe Mr A's sent this service messages, at best, carefully curated to show he's innocent, at worst entirely false.

It's also clear Mr A knew he was getting a payment from someone other than S. In an early message S says "one of my guys wants to receive funds, been looking for Monzo".

And once Mr A's account has been blocked, Mr A says to S "that man 'messed' up my account".

So, I don't believe Mr A's testimony around it being S needing the money, I think Mr A knew it was someone else sending money to his account. I think this should have alerted Mr A to something not being right here.

And S says in another message the money is 'clean'. I don't think most people start a conversation asking someone to do something by saying it's all legal, unless it isn't. Again, I think Mr A should have been on notice this wasn't a legitimate payment.

Mr A told this service, before he received the investigator's assessment, he'd jokingly asked S for compensation and been told he could keep £10. I think Mr A knew he couldn't admit to keeping the money without appearing complicit in the fraud.

Mr A's clearly researched fraud markers, and sent this service one of its own decisions to show he wasn't complicit. But I have to decide Mr A's complaints on its individual merits and not what another ombudsman's decided on another complaint for another consumer.

Mr A's said the fraud marker can only be loaded due to evidence, not assumptions. For a fraud marker to be loaded there's a higher burden of proof needed than the balance of probabilities.

In Mr A's complaint, I believe the higher burden's been met, I think Mr A knew this payment wasn't legitimate because it wasn't coming from S, Mr A knew it was coming into his account from someone who appears to be a random third party.

And I'm not persuaded Mr A was offered the £10 as a response to his jokey request, I think Mr A was paid £10 to accept the money and forward it on.

I think Mr A was unlikely to do this for £10, but I think it's likely Mr A was told he'd receive other payments and keep cuts from these too.

I realise Mr A will feel this is also an assumption, and not evidence, but it's difficult to prove complicity. And I realise the significant effect the fraud marker will have on Mr A.

I have to consider the wider facts of the complaint and make some assumptions about what I think is much more likely to have happened here. As I said before, this isn't a simple balance of probabilities, it's a higher bar than this.

But even considering this higher bar, and some of the assumptions I have to make, I still think Monzo has evidenced Mr A's complicity here. Mr A says he was an unwitting money mule, but I disagree, I think he knew or should have known the money was illegitimate.

I realise a fraud database marker will have a significant effect on Mr A, and for some time, but I can't consider the impact as a reason to tell Monzo to remove it, I have to be persuaded Mr A wasn't somehow complicit in what happened.

Mr A seems very unhappy at the way Monzo asked about this payment, and he wasn't able to send in proof he had at the time.

But I've looked at the messages Mr A was sent, Monzo clearly asks for any conversations he's had with his friend discussing the payment. I think Mr A was given, at the time, exactly what Monzo wanted from him.

And I've seen the messages Mr A had with S after his account was blocked, Mr A could have asked S to copy the earlier messages too. Mr A says it's now too late to find these messages, they've been deleted, but I don't think this is Monzo's fault.

And because I don't think Monzo prejudiced Mr A's ability to send in messages showing his innocence, I don't think Monzo needs to remove the fraud marker loading.

I think, on a higher standard of proof, Mr A knew or should have known the payment he was getting, from someone other than S, was illegitimate.

I also think Mr A was paid to accept this payment, which should have prompted Mr A to think there was something wrong with this payment.

And even before he'd been sent the money, Mr A was told it was 'clean', and I think this should have been enough to alert Mr A to the fact it wasn't a clean, or legitimate payment.

Since I think Mr A should have known this payment wasn't right, but received it anyway, and then transferred it out of his account, I won't be asking Monzo to remove the fraud marker loading.

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 A to accept or reject my decision before 8 July 2025.

Chris Russ
Ombudsman