

The complaint

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

What happened

Mr U was contacted by someone he knew, and they asked to pay some money into Mr U's account. This person was overseas and didn't have a UK bank account.

Money was paid in, and Mr U says he confirmed this with the person who was expecting it, and then transferred the money to his friend, overseas. Monzo then closed Mr U's account and added his details to a fraud database.

Mr U complained to Monzo, and it responded to say it had carried out a second review, but the fraud database loading would be staying on. Monzo said it couldn't release all the details Mr U had asked for, but it had correctly followed its procedures.

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

The investigator said fraudulent money had been paid into Mr U's account, and when Monzo contacted him about this he didn't engage with Monzo. The investigator said Mr U had no messages from his friend about what happened, to back up his story.

The investigator also said Mr U had kept some of the money, so he benefited from the fraud. The investigator thought Mr U should have questioned things, so the investigator said the loading was fair and they didn't think Monzo should remove it.

Mr U said he'd sent in all the evidence to show what he said was a true version of events, he didn't know the money was fraudulent and was deceived into receiving the money.

Mr U 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.

There's no dispute fraudulent money was paid into Mr U's account. £250 was paid in on 31 May 2024 and the sender reported this payment as fraud around a week later. But simply receiving fraudulent money isn't enough for Monzo to load a fraud database marker.

Monzo has to show Mr U was somehow complicit in the fraud itself or in moving the money on. This is why Monzo reached out to Mr U via chat on 12, 13 and 17 June 2024, to try and find out why Mr U had received the money.

It doesn't seem Mr U responded to Monzo. Monzo then emailed Mr U on 18 June 2024 to say it was closing his account. But it doesn't appear Mr U complained about the closure until

he realised he'd also been loaded to a fraud database.

Mr U was using his Monzo account regularly through May 2024, so I don't understand why he wasn't in touch with Monzo as soon as his account closed. Instead, it seems Mr U complained about the closure of his account in a call Monzo made to him in early August.

Mr U explained to the investigator what happened. Mr U says he was contacted by someone he knew, not a close friend but someone he was in touch with at times. This person explained they needed someone with a UK account to receive a payment.

Mr U says he had no reason to doubt this person or have any concerns about the payment.

Mr U received the payment and said he then transferred £250, or the equivalent of in a foreign currency, to this friend via a payment company. Mr U sent in a copy of the receipt for this payment. Mr U says he kept £25 of the payment as a tip for his help.

But I can't see this is what's happened. Mr U's statements show he received the £250, sent £225 to another person with a UK account and then £25 to another account in his name.

Mr U didn't make the overseas transfer from his account. Instead, he sent the money to someone else, but the receipt Mr U provided shows he made the transfer.

I'm unsure why Mr U would forward the money on to another person's UK account, and then apparently pay his friend from a different account. I don't think Mr U's story matches the transactions on his account.

Mr U also says he sent the equivalent of £250 to his friend overseas, and says he kept £25, but these two statements together can't be right. Mr U received £250, so he either sent the full amount of £250 or sent £225.

Mr U said his friend needed the money for support overseas, as they were in a difficult situation. But despite his friend apparently desperately needing the £250, Mr U kept £25 of it.

I don't think Mr U kept the £25 because it was a tip, I think Mr U kept the £25 as payment toward accepting the fraudulent money into his account. And I think Mr U should, at this point, have realised the payment wasn't legitimate.

Mr U's also been unable to provide any evidence of messages between him and his friend.

Mr U says he changed his phone recently and didn't back up his messages. But I'm assuming Mr U had these messages at the time Monzo was contacting him about the payments in, and when it closed his account.

I say this because Monzo's sent this service information about the device used to access Mr U's Monzo account, and it was the same throughout May and June 2024, and much earlier than this.

I'm persuaded Mr U had the same phone when he received the payment and moved it on.

Looking at the records Monzo sent in, the last time Mr U accessed his Monzo account with this device was 18 June 2024, the date his account was closed.

Monzo emailed Mr U about the closure at 8.24am, and Mr U accessed his Monzo account at 9.27am. I think Mr U accessed Monzo because of the closure email he'd been sent.

I'm persuaded Mr U knew his account was closing but didn't contact Monzo to find out why this was and have the chance to explain himself.

I think Mr U had the messages but chose not to send them in as a response to Monzo's requests for information or send in the messages he had as part of his later complaint to Monzo.

I think Mr U knew, or should have known, the payment his friend was sending wasn't legitimate. And I think any messages Mr U might have had wouldn't back up the version of events he's given to this service.

I think it's more likely Mr U was told by his friend to transfer the money on to another UK account, which would be odd as the friend could have just paid the other UK account in the first place.

I think Monzo has enough to show Mr U knew, or should have known, the payment he was receiving wasn't a legitimate payment.

But, instead of telling Monzo about this, Mr U didn't respond to its requests for information and didn't complain about the closure until prompted by the fraud marker loading.

And having now had a chance to let Monzo and this service know what happened, Mr U's version of events doesn't match what the transactions on his Monzo account show.

I'm satisfied Monzo made a fair and reasonable decision to load Mr U to the fraud database, so I won't be asking it to remove the 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 U to accept or reject my decision before 12 May 2025.

Chris Russ
Ombudsman