

The complaint

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

What happened

Miss A had held an account with Monzo since June 2023. In 2024 Miss A was told by Monzo that they were closing her account. This came after they questioned her about two credits made to her account. Monzo didn't receive any response from Miss A. Monzo then lodged a fraud-related marker on her record with CIFAS.

Miss A asked Monzo to remove the marker because of the impact this was having on her ability to get an account and her mental health. Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Miss A brought her complaint to the ombudsman service.

Our investigator reviewed the evidence and wouldn't ask Monzo to remove the marker.

Miss A disagreed with this outcome. She's asked an ombudsman to consider her complaint.

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 our investigator. I'll explain why.

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 Miss A was involved. This means that they must have more than a suspicion or a concern that Miss A may be involved.

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

I've seen the evidence provided by Monzo. This confirms they received notifications from two other banks that their customers had sent money to Miss A's Monzo account as the result of purchase scams. A payment of £180 credited Miss A's Monzo account on 8 March 2024. Then £230 was credited just over a week later. At the same time as the first credit was received, Miss A transferred £174 to a friend.

I'm in no doubt that these two amounts didn't belong to Miss A. An identified fraud had been committed. However, I also need to be satisfied that Miss A knew what was going on when money that wasn't hers was being paid into her account.

Miss A has told us a friend was getting credits made to her account. She later found out this was from a business he was involved in.

Miss A has shared with us numerous WhatsApp messages with this friend which clearly show her distress after Monzo closed her account and a CIFAS marker was applied to her record. She's confirmed to us this was all the action of this third party and she didn't know what was going on.

The difficulty with this story is that I'm not convinced by Miss A's testimony. She received money from two complete strangers and didn't question this. The evidence she's supplied only refer to conversations after the payments were made. I've seen nothing which talks about the first payment. As soon as this hit her account, Miss A transferred it to her Monzo pot, then back from her pot, and sent £174 (of the £180 she received). Miss A has told us she no longer has the phone which holds those conversations but I have to wonder how convenient this sounds.

I've taken into account how young Miss A was as this happened. But I'm satisfied overall she felt from the off, that something odd was going on. I have noted that her so-called friend had held her account details for some time and had previously made mostly small value payments into her account. So it's fair to say that it would have been difficult for her to stop the payments being received into her account.

I appreciate Miss A's testimony about the impact this has had on her, and there's no dispute she is having difficulties finding a bank account and ensuring she can get regular payments from her employer.

I note Monzo did contact Miss A to question her entitlement to the money but didn't initially get any response.

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 think this most likely exists here from reviewing the payments made into Miss A's Monzo account and from what she's told our service.

On this basis I don't believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker. Because of Miss A's age at the time this happened, this marker will remain on her record for two years until 2026.

Miss A has claimed that the CIFAS marker is having an impact on the ability of her younger brother to get an account. All I can say is that it certainly shouldn't.

My final decision

For the reasons given, my final decision is not to uphold Miss A's complaint against Monzo Bank Ltd.

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

Sandra Quinn

Ombudsman