

## **The complaint**

A complains Monzo Bank Ltd recorded a marker against him at Cifas, a national fraud database and closed his account. He doesn't think it's treated him fairly.

## **What happened**

Mr A had an account with Monzo. In January 2024, it was credited with a payment from a third-party, through a bank transfer. The funds were paid into another account; however, the payment was later reported as fraudulent to Monzo.

Monzo restricted the account and requested information to support why Mr A had received the payment in its in-chat facility. It got a response to say that the payment was from family. Monzo asked for proof of this and got another response to say the payment was money that was being paid back.

Monzo reviewed the information and decided to file a misuse of facility marker at Cifas, as it believed Mr A had been complicit in receiving fraudulent funds. It also closed his account. Mr A found out about the marker and complained that he'd not done anything to cause this. He said someone else must have accessed the account and been involved in the transactions. Monzo reviewed the information but didn't think it had made a mistake in the steps it had taken.

Dissatisfied, Mr A contacted us and reiterated he'd been a victim of fraud. He said he knew nothing about the payment both in and out of his account. And he didn't think Monzo's final response was fair as it hadn't asked for any further information.

One of our investigators looked at the case. She acknowledged what Mr A had said and provided but she didn't find his explanation plausible. She was satisfied Mr A had responded to Monzo in its in-chat facility and he knew about the fraudulent payment because she could see he had moved the money into another account he held elsewhere, which didn't align with his testimony that he knew nothing about the activity. Overall, she felt the facts supported Mr A had been complicit in receiving fraudulent funds and she didn't think Monzo needed to do anymore.

Mr A didn't agree. He said that when he'd raised his complaint with Monzo, it had contact details for him that weren't his and must have been amended by someone (a fraudster). He added he'd never spoken with Monzo via its in-chat facility. When the investigator didn't change her mind, the case was put forward for a decision.

## **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.

This includes the information provided after the investigator's opinion letter.

I'm sorry to disappoint Mr A but I'm not upholding his complaint.

The marker that Monzo has filed is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. To file such a marker, it's not required to prove beyond reasonable doubt that Mr A is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant guidance says, there must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted, and the evidence must be clear, relevant, and rigorous.

What this means in practice is that a bank must first be able to show that fraudulent funds have entered Mr A's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mr A was deliberately dishonest in receiving the fraudulent payments and knew it was, or might be, illegitimate payments. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity.

To meet the standard of proof required to register a fraud marker; the bank must carry out checks of sufficient depth and retain records of these. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think Monzo has enough evidence to show fraudulent funds entered Mr A's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

Monzo has provided evidence that it received a report, saying that funds which entered Mr A's account was because of a fraud/scam. Looking at what was reported, I'm satisfied the bank was alerted to a possible scam and needed to make enquiries to meet its regulatory obligations to investigate such matters.

Upon receipt of the fraud report, Monzo contacted Mr A via its in-chat facility. It asked him to explain why he'd received the payment. The response it got back was that the money was from family and was being paid back in relation to a car that had been bought. Monzo didn't find this satisfactory without supporting information and decided to load the marker. I've looked at these circumstances and don't find Monzo's actions were unreasonable based on what it had.

Mr A has said this wasn't him, but I don't find this likely, and I'll say more about this below.

I've gone onto consider Mr A's testimony now, which is what he told Monzo when he complained; he says hadn't used the account after it was opened and doesn't know anything about the payment in and out of his account. But I don't find this persuasive because as the investigator identified, the funds were paid into an account he held elsewhere.

Overall, I don't see how any of this could have happened without Mr A's knowledge. Or see what an unknown third party would gain from moving money between *his* accounts. I think this is powerful evidence that demonstrates Mr A's complicity.

I've considered what Mr A has said and provided about his telephone number and email – he says Monzo had details that weren't his, which shows he's been a victim of fraud. However, none of this information makes a difference to the outcome given the strength of the points above.

In conclusion, I'm satisfied Monzo had enough information to support its actions, with the report it received, the account activity and the responses Mr A has given. It follows that I

don't find the bank was unfair to record the marker or close the account (there's provision for that within the account agreement). This means that I won't be requiring any further action to be taken to resolve this complaint, and as this is also the final stage in our process, my decision completes our review of the complaint.

### **My final decision**

My final decision is that 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 9 October 2025.

Sarita Taylor  
**Ombudsman**