

## The complaint

Mr N complains that Monzo Bank Ltd unfairly loaded a marker about him at Cifas, the national fraud database. He wants the marker removed.

## What happened

Mr N had an account with Monzo.

In October 2024, two payments of £120 and £70 were paid into Mr N's account, from an individual I will refer to as B.

Some of the money was immediately transferred to two other accounts not in Mr N's name, the rest was spent at a petrol station and withdrawn from a cash machine.

Following this Monzo were notified by another bank that the two payments Mr N had received from B were fraudulent and that their customer had been the victim of a scam.

Monzo decided to block Mr N's account and asked him to get in touch so that it could speak to him about the payments. Mr N contacted Monzo and told them that he'd received the money on behalf of his friend, who I will refer to as L. Mr N said that the money was payment for shoes L had sold to B. And that L was having trouble with his own bank account. So had asked him to accept the payments on his behalf.

Following this Monzo decided to place a fraud marker against Mr N's name with Cifas. This was for misuse of a facility in relation to retaining fraudulent funds. Monzo also closed Mr N's account immediately.

Mr N discovered the marker when other bank accounts he had were closed. He complained to Monzo and asked them to remove the marker. Mr N sent Monzo an undated screen shot, timed, at 12.56pm of a conversation he said he had with B. The message said B had followed L's instructions and sent the payment for shoes she'd bought from L to Mr N. The message also said that B had received the shoes.

Monzo reviewed everything including what Mr N had told them. After doing so, it said it wasn't willing to remove the marker.

Unhappy with this response Mr N brought his complaint to our service. He wants Monzo to remove the marker. He said the marker has led to the closure of bank accounts he had. And that it was ruining his life. He said he didn't know that money B sent was fraudulent and he had reached out to B to get her to confirm she didn't have a problem with the transaction. Mr N also said that he had bought shoes from L in the past and provided bank statements to support this. So, he said the transaction was all above board.

An investigator looked into Mr N's complaint and asked Mr N some more questions about what had happened. Mr N said he didn't have any messages between him and L that led to him agreeing to receive the money from B. He said everything was arranged on the phone and any messages he did have were no longer available. He said he had given L £190 but

hadn't withdrawn all of this from his account, as he already had some money on him when he met L to give him the cash.

After reviewing everything the investigator said that Monzo hadn't done anything wrong when it had recorded the marker against Mr N's name. And closed his account. So, they didn't uphold the complaint.

Monzo agreed with what the investigator said. Mr N didn't. He wants the marker removed. In summary he said:

- He hadn't done anything wrong and had provided evidence from B supporting his innocence.
- The money B sent wasn't fraudulent.
- He wouldn't risk his entire livelihood for £190.

The investigator reviewed all the information Mr N provided but maintained that Monzo hadn't done anything wrong. Mr N remained unhappy and asked for an ombudsman's decision. So, the matter has come to me to decide.

### **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.

The marker that Monzo filed with Cifas against Mr N is intended to record that there's been a 'misuse of facility' – relating to using his account to receive fraudulent funds. In order to file such a marker, they're not required to prove beyond reasonable doubt that Mr N is guilty of a fraud of financial crime, but they must show that there are grounds for more than mere suspicion or concern. Cifas 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 N's account, whether they are retained or pass through the account.

Secondly, the bank will need to have strong evidence to show that the consumer was *deliberately* dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. But a marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show *deliberate* complicity. There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

Here Mr N received funds into his account that were confirmed by another bank to have originated from fraud. The bank reported that their customer had fallen victim to a scam.

In October 2024, Monzo asked Mr N to send them evidence of where the £190 had come from and proof that the money belonged to him. Mr N told Monzo it was for the sale of shoes. Mr N got back in touch with Monzo in December 2024, when he discovered the Cifas marker had been recorded against him. He told Monzo he had received the money for a shoe sale made by his friend. And provided a screenshot of the conversation he says he had with B.

Mr N told this service that he couldn't provide any evidence of his communications with L as these all took place on a social messaging platform and the messages no longer existed. He said he had given the money to L but had used money he already had in his pocket. So, he hadn't withdrawn all the money that B sent to his account. Mr N said the money sent by B wasn't fraudulent and was for a legitimate shoe sale.

So, I need to consider whether based on all the information including the evidence Mr N has submitted to us, whether Monzo had sufficient evidence to meet the standard of proof and load a marker for misuse of facility with Cifas. Having looked at all the information provided, I'm satisfied they did, and I say this because:

- I've seen the evidence from Monzo that confirms they were notified by another bank that fraudulent funds were paid into Mr N's account.
- Monzo says it wasn't notified that the fraud report had been withdrawn by the sending bank. And I've not seen any evidence that the sending bank was contacted by B and the report was retracted.
- After bringing his complaint to our service, Mr N said he had no idea the money was fraudulent. And that he received the money on behalf of his friend L who'd sold a pair of shoes to B. But Mr N hasn't provided any evidence about his arrangement with L which would support his explanation, such as any messages between him and L prior to him receiving the funds. Such as why Mr N was receiving the funds, or what he expected in return, including why L sent Mr N the money in the first place. I find the fact there is no evidence at all just isn't credible. I'd expect there to be some evidence that led up to this arrangement which Mr N could provide. But nothing has been provided.
- Mr N allowed the use of his account in this way and so was in control of who had the benefit of this money. After Mr N received the payment, the funds were immediately transferred to two other accounts, spent and withdrawn in cash. If Mr N was receiving the money on behalf of L, I'd expect Mr N to either send or give the funds to him. But this didn't happen. Instead, Mr N sent some of the money to other people and spent the majority of the cash.
- Mr N hasn't disputed any of the transactions so it's likely he was responsible for moving the fraudulent funds quickly through his account and onto others. I think this action is significant. It's also contrary to what Mr N told the investigator and Monzo which was that he hadn't benefitted from fraudulent funds. I think the speed at which the funds were moved and spent suggests Mr N was most likely expecting the payments from B.
- Mr N then told our service (and Monzo) that he'd managed to get in touch with B and she'd provided a statement (in the form of a screenshot) that there were no concerns with the payment, she'd received the shoes. And Mr N hadn't done anything wrong. Mr N provided a copy of the message he said he exchanged with B.
- I've looked at the screenshot, (which is undated), that Mr N shared with our service and Monzo. But the message doesn't identify the person as B. So, I have no way of knowing if this message is genuine. Mr N hasn't provided any evidence leading up to this message either, about the sale between L and B. For example, communications which led up to B agreeing to send him this message. This leads me to doubt the credibility of Mr N's version of events and suggests to me that Mr N was potentially involved in fraudulent behaviour.

- I've considered what Mr N says about the money paid into his account. But in my view, based on all the evidence, I think it's most likely he allowed his Monzo account to be used for receiving fraudulent funds. So, I'm not convinced Mr N is an innocent party.
- I've considered what Mr N says about the impact the marker has had on him. But he hasn't described being placed under any duress or being especially vulnerable. In my view, based on all the evidence, I think it's most likely he allowed his Monzo account to be used for receiving fraudulent funds. And I think he was a willing participant in this and in moving the money on and spending it. And that he reasonably knew this wasn't a legitimate activity. So, I'm not convinced Mr N is an innocent party. I think the evidence shows that Mr N was involved in a misuse of facility.

Monzo also decided to close Mr N's account. Monzo have relied on the terms and conditions of Mr N's account in closing the account. These outline that Monzo can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case, Monzo closed Mr N's account immediately.

For Monzo to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that Monzo did. I say this because Mr N's account was being used to receive and spend funds that had originated from fraud. So, it was entitled to close the account as it's already done and end its relationship with Mr N. This means I won't be asking Monzo to reopen Mr N's account.

In summary, 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. Mr N has received funds into his account that have originated from fraud. I also find that the suspicious circumstances of the movement/use of the money and explanations provided by Mr N about what he did with the fraudulent money adds weight to this argument.

Having looked at all the evidence I'm satisfied this shows there were reasonable grounds to suspect that fraud had been committed. And from evidence I've seen that Mr N was likely complicit in this. On this basis I don't think it would be fair or reasonable to ask Monzo to remove the marker or pay Mr N compensation.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 14 August 2025.

Sharon Kerrison  
**Ombudsman**