

The complaint

Mr M has complained Monzo Bank Ltd lodged a fraud-related marker with CIFAS in his name. This caused him distress in not being able to open a bank account and having difficulty in getting a job.

What happened

In January 2024 Monzo received a fraud report from one of their own customers about £30 paid into Mr M's Monzo account. Mr M told them he'd been sent this money as owed after a night out with friends when he'd ended up paying.

Monzo decided to close his account and lodged a fraud-related marker with CIFAS.

When Mr M found this out, he complained. Monzo accepted they'd placed the CIFAS marker in error as their evidence didn't meet the bar required for lodging a CIFAS marker. They agreed to remove this and did this in September 2024 when they provided Mr M with a final response. They also agreed to pay him £250 compensation.

Unhappy with this as he blamed Monzo for losing an employment opportunity, Mr M brought his complaint to the ombudsman service.

Our investigator felt overall that the compensation offered was fair and reasonable. She wouldn't ask Monzo to increase it.

Mr M remained disappointed and has asked an ombudsman to consider his 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.

There's no dispute that Monzo shouldn't have lodged a CIFAS marker. The evidence they held was insufficient to do this, and they accept they should have reviewed this further at the time. Because of this error, they offered Mr M £250. They confirmed the CIFAS marker was removed from their records at the end of September 2024, but they warned it may take slightly longer for this removal to be updated on all of Mr M's records. This meant the CIFAS marker remained on Mr M's record for just over eight months.

I can see that Monzo closed Mr M's current account back in January too. Despite the CIFAS marker being removed, they've not agreed to re-open an account for Mr M. I confirm Monzo closed the account in line with their terms and conditions. I'm not able to require Monzo to re-open this account.

During this period, Mr M was turned down for a job he applied for. Whilst it is true that the CIFAS marker may have been a factor, Mr M has also told us he was having difficulty proving his right to work so I'm not convinced that the CIFAS marker was necessarily the

decisive factor in Mr M being turned down for this role.

Mr M has told us as late as November he was still having difficulties getting a bank account. I'm sure by that stage Monzo had done what was required to remove the fraud-related marker so I can't be sure why that would be the case. I've also seen evidence that Mr M did open a bank account with one financial provider around this time.

Mr M has said that he believes £700 compensation would be fairer. However, taking into account his age and the impact, I think £250 is fair and reasonable. I won't be asking Monzo to pay him anything else.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 June 2025.

Sandra Quinn
Ombudsman