

## **The complaint**

Mr I complains that Monzo Bank Ltd unfairly loaded a CIFAS marker under his name.

## **What happened**

Around February last year, Monzo loaded a CIFAS marker under Mr I's name following the immediate closure of his account. This was in response to a report it received from a third party, who said they hadn't received goods they'd paid Mr I for.

Following Mr I's complaint being raised, Monzo reviewed its loading of the marker and decided to retain it. The bank said that it couldn't provide its reasons and added that it had acted in line with its regulatory obligations. Mr I is aware of the transaction in question and understands this to be the reason the CIFAS marker was loaded under his name.

Remaining unhappy, Mr I asked this service to review his complaint. In his submissions, Mr I says he became unwell, homeless and his mobile phone was damaged following receipt of the payment. So he couldn't send the goods he had sold, nor was he able to contact the buyer. He says the marker is affecting his employment prospects as it's now difficult for him to open another bank account. Mr I says he couldn't pay rent and lost his place at supported accommodation, he had to live with a family member and has since become homeless again. He adds that his mental health and depression has spiralled as a result, and his physical health has deteriorated.

Our investigator concluded that Monzo had loaded the marker fairly. Mr I doesn't agree and has since said that he's arranged to refund the buyer. Mr I asked for a final decision so the complaint has been passed 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.

I empathise with Mr I as it's clear that he's been going through some very difficult circumstances. However, I must reach a decision that I think is fair and reasonable – in doing so, I've decided not to uphold this complaint. I appreciate that this will be difficult for Mr I to hear so I'll explain why.

The marker that Monzo filed with CIFAS is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. In order to file such a marker, Monzo isn't required to prove beyond reasonable doubt that Mr I is guilty of fraud or financial crime, but it 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 the bank must first be able to show that fraudulent funds have entered Mr I's account, whether they are retained or pass through the account.

Monzo will need to have strong evidence to show that Mr I 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've given Mr I an opportunity to explain what was going on.

So, in order to decide whether Monzo acted fairly, I need determine whether it had enough evidence to meet the above standard of proof to load the CIFAS marker.

Monzo has sent this service confidential information about the payment Mr I received into his account. Although I cannot share the details, I'm satisfied the information is clear, relevant and rigorous enough to justify Monzo's actions.

When asked about the payment in question, Mr I says it was made by a third party who purchased an item he had advertised via an online platform. Mr I says the events that followed, including the damage to his phone, meant he was unable to send the item or make contact with the buyer. Although I don't doubt that Mr I was going through some difficulties around the time, I'm not persuaded by his explanation.

I say this because I can see that Monzo sent Mr I a message in February 2024, asking for more information about the payment. Monzo says the message was read but not responded to. Based on what Mr I said, he was in contact with the third-party buyer around the time through messages sent via his mobile phone. I haven't seen any evidence that suggests Mr I wouldn't have received Monzo's message, instead I think it's more likely that he did – but that he didn't respond. And I can't see that there's a reasonable explanation for why he didn't do so.

Had Mr I genuinely been unable to send the goods that were purchased, I would've reasonably expected Mr I to return the amount that the buyer paid. But he didn't do so, nor did he contact Monzo to explain the situation – had he done so, it's likely the bank would've arranged to return the funds to the buyer. Looking at his statements, Mr I seems to have withdrawn the funds the same day he received the payment, so I'm satisfied he made use of the funds despite not having sent the goods to the buyer.

Mr I recently told us that he had managed to make contact with the buyer and had arranged to return the funds. He's sent us a copy of messages he's recently exchanged with a third party. However, the information Mr I has sent doesn't persuade me that this is indeed the third party that sent him the funds in question.

Mr I hasn't provided any information regarding the item he had for sale (such as the advert he created on the platform), nor has he been able to provide copies of any communications he had with the buyer around the time. I can also see that the individual Mr I has recently communicated with doesn't seem to share the name of the person named on the transaction record for the payment in question. Moreover, Mr I hasn't evidenced the return of the funds and, even if he did, this wouldn't show that Monzo's decision to record the CIFAS marker when it did so was unfair.

To conclude, I acknowledge that Mr I has gone through some difficulties, and I recognise the loading of the CIFAS marker will have compounded this further. However, I'm satisfied that Monzo was justified when it decided to load the marker under Mr I's name.

**My final decision**

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 13 March 2025.

Abdul Ali  
**Ombudsman**