

## **The complaint**

Mrs H complains Monzo Bank Ltd loaded a marker against her at Cifas, a national fraud database and closed her account. She doesn't think it's treated her fairly.

## **What happened**

A summary of what happened is below.

Mrs H opened an account with Monzo in August 2022. On 24 August, it was credited with £200 from a third party, through a bank transfer. Mrs H used her banking credentials to send that to WorldRemit (a payment transfer service). However, the bank from which the funds had originally come, notified Monzo that its customer had been the victim of a scam.

Monzo restricted the account and Mrs H contacted it to understand why. It said it needed to know why she'd received this payment and another payment for £800 on the same day. It also asked about transactions she'd made to WorldRemit and for supporting evidence regarding their purpose. She told Monzo that she had family in Jamaica and used its service to send money, and she didn't have any paperwork.

Following a review, Monzo decided to close the account. At the same time, it also filed a misuse of facility marker at Cifas, as it believed Mrs H had been complicit in fraud.

Mrs H found out about the marker when she did a Data Subject Access Request (DSAR) to see what information was held about her and she complained to Monzo that she'd not done anything to cause this and had been a victim of fraud herself. She said the marker was affecting her ability to get a bank account. Monzo reviewed the complaint but didn't think it had made a mistake in the steps it had taken. However, offered £25 compensation for the time it took to respond to her concerns.

Dissatisfied, Mrs H referred her complaint to us. In doing so, she told us what happened:

- She had been blackmailed into a scam through Instagram.
- She was told if she invested money, she would get a return, so that's what she'd done.
- She had some screen shots of exchanges about this and provided them.
- Following the investment, she was told she had to pay fees to release it. However, she didn't have the money, so the individuals said they would pay them on her behalf. The payments that were flagged as fraudulent related to this. And the arrangement was that when the fees came into her account, she'd need to send them back via the transfers.
- The individuals whom she invested with also told her to tell Monzo that the transactions related to money being sent to her family in Jamaica.
- She never questioned them as they convinced her this was all legitimate.
- She never got her investment back.
- When she asked questions about this, the individuals went quiet, and she never heard anything more.

- The marker was having a negative impact on her day-to-day life. A particular concern was that she couldn't get a bank account. So, she wanted Monzo to remove it.

One of our Investigators looked at the case. They acknowledged what Mrs H had said and provided but they didn't find her explanation plausible, when looking at the other available evidence. Whilst noting the evidence Mrs H had provided, they concluded Monzo had enough evidence to justify recording a misuse of facility and terminating the account.

Monzo didn't add anything further to the Investigator's assessment. Mrs H said she didn't agree. She maintained she'd been scammed. She said she'd given us what information was still available. She'd since found a further screen shot of a payment for £37,000 held at another bank, referencing that she'd need to pay fees to release the funds. She thought this was key and explained she'd still not managed to get a bank account.

When the Investigator didn't change their mind, the case was put forward for a decision, as the second and final stage of our process.

### **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'm sorry to disappoint Mrs H but I'm not upholding her 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 Mrs H 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 Mrs H's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mrs H was deliberately dishonest in receiving the fraudulent payments and knew it was, or might be, an illegitimate payment. 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 Mrs H's account and she was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

I've seen evidence from Monzo that it had received reports saying that funds which entered Mrs H's account was because of a fraud. She doesn't dispute this either.

I've also looked at Monzo's chat records from August 2022, when Mrs H was in contact with it. Monzo asked her about the activity on her account and she said it related to payments she was making to family in Jamaica. In 2024, she said that the activity was due to an

investment scam. But looking at the exchanges, if Mrs H genuinely thought this was an investment, I don't see why she couldn't have been truthful about that with the bank, unless she was aware the activity wasn't legitimate. I think the circumstances suggests that this was the case here.

I've thought about what she's said about the individuals being convincing, but looking at the chat records, it's clear she also understood that her account was under review and had been restricted, which was a significant matter. So again, I'd have expected her to tell the bank about the investment if this was all it was from her perspective and understanding. Instead, she gave Monzo what was ultimately false information.

Monzo expressed concerns that the account had recently been opened and the fraudulent funds were removed rapidly. I've also looked at the statements. There is a distinctive pattern of use on the account, which was very similar to the payments Monzo questioned her about; several payments in from third parties and out to WorldRemit. Whilst I've also looked at the information Mrs H has provided about this being an investment and her needing to pay fees to release her funds, I don't find what she's said persuasive in view of the overall account activity. There's not in my view enough in the details she's given, for me to find she was an unwitting participant in what was going on.

I am sympathetic to the effect the marker is having, but ultimately Monzo's evidence shows there was a misuse of its facility, with fraudulent funds entering her account and them being utilised with Mrs H's assistance. In view of this, and the other evidence discussed, I don't think the bank acted unreasonably in recording the marker or closing the account (there's provision for that within the account agreement). I'm sorry but it follows that I'm unable to ask Monzo to delete the marker or open an account.

Earlier on in my decision, I noted Monzo had offered Mrs H £25 compensation. She says she hasn't received that payment. Any acceptance of this compensation can be arranged with Monzo direct.

Finally, I note that Mrs H has provided information that shows she's been unable to get another account but I'm afraid this isn't a basis for me to direct its removal (as set out above).

This now completes our review of the complaint against Monzo.

### **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 Mrs H to accept or reject my decision before 22 April 2025.

Sarita Taylor  
**Ombudsman**