

## **The complaint**

Mr O complains Monzo Bank Ltd unfairly loaded him to a fraud database.

## **What happened**

Mr O was introduced to someone, J, via a mutual friend. During some messaging, it seems J asked about opening an account with Monzo, where Mr O banked.

Mr O says he sent J a referral link, but J couldn't open an account. J then told Mr O his bank account wasn't working, but he needed to receive some money for tuition fees.

Mr O gave J his bank details, but says he later decided he didn't want the money sent to him and told J this. Regardless of this, £2,800 was paid to Mr O's account.

Mr O then tried to transfer £2,720 out of his account, but Monzo blocked the payment. Mr O contacted Monzo to let it know he couldn't make payments and Monzo asked Mr O about the payments he'd received, what they were for and whether he had any proof of entitlement.

Mr O told Monzo the payment was "for a contribution that is being made among us". Mr O also sent Monzo two confirmation screens from two of the senders and one of the sender's bank statements.

Monzo had already received fraud reports for these three payments and it wasn't persuaded by Mr O's proof of entitlement, so it returned the money to the senders, closed Mr O's account and loaded him to a fraud database.

Mr O complained to Monzo and said he'd innocently and naively allowed someone else to use his account, but he didn't know the payments in were fraudulent. Mr O said he'd asked J whether what he was doing was legal and, ultimately, trusted someone he shouldn't have.

Monzo responded to say it had looked at the loading a second time but thought it had followed the correct procedures in loading the fraud marker and wouldn't remove it.

Unhappy with this answer Mr O brought his complaint to this service. An investigator looked into things but didn't think Mr O's complaint should be upheld. The investigator didn't think Mr O's testimony was consistent or added up with the facts.

The investigator didn't think the voice or text messages Mr O sent in to support his claim showed Mr O was an innocent victim. The investigator thought Monzo had fairly loaded Mr O to a fraud database.

Mr O didn't accept this outcome and said he agreed it was wrong to let J use his account, but he didn't know what the money was for. Mr O said he told Monzo what he did about the payments because it's what J told him and sent him.

Mr O explained how he met J, their longstanding mutual friend, and he didn't think there was fraud committed here. Mr O kept asking J about the legality of the payments, and he'd been

told by Monzo money was now owed to him, but he wanted nothing to do with it.

Mr O asked for an ombudsman to decide things.

### **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 test for a fair fraud marker loading is there must be evidence of proven fraud and Monzo has to show Mr O was aware, or might have been aware, the payments were from an illegitimate source.

Monzo also needs to think about whether Mr O could have reasonably protected himself from the fraud, scam or deception involved.

I'm satisfied there's proven fraud here, Mr O received three payments and all three were reported as fraudulent by the senders. I don't believe Mr O, or J, were entitled to this money and it had been obtained via deception, so I think Monzo's met the first part of the test.

It's often harder to prove Mr O was, or should have been aware the payments weren't legitimate. But Mr O's said he already had concerns about J and his request to use Mr O's account. Mr O had, I think, become aware this request to use his account wasn't legitimate.

Mr O says he asked J several times if what he was doing was legal and was told it was. But I think a reasonable person would perhaps ask once or twice, but not more than this, to ask more times is, I think, an indication Mr O knew things weren't quite right.

I accept Mr O had already given J his account details, so he couldn't really stop J paying the money in, even if Mr O had serious concerns about what was going on.

But when Monzo asked Mr O about the payments, where they were from and what for, Mr O chose not to tell it about his concerns. At this point, Mr O could have told Monzo he was deceived into giving out his account details and was unsure if this was legal.

Mr O could have explained, in the same detail as he did later, the relationship between J and him, and supply messages about the payments. Instead, Mr O lied to Monzo.

Mr O says he told Monzo what J told him. But Mr O's said his relationship with J was already falling apart and he'd told J not to use his account. So, Mr O told Monzo what someone he didn't trust told him to say, instead of telling Monzo the truth.

I think Mr O knew, or should have known, these payments were illegitimate. And Mr O had the chance to protect himself from what happened by being honest with Monzo.

But Mr O didn't tell Monzo what happened at the time of the payment or when his account closed. It was only when Mr O found out he'd been loaded to a fraud database he told Monzo about J and what he'd been asked to do.

I also have to consider Mr O only tried to move £2,720 of the £2,800. Mr O says he'd already told J not to pay in and wanted nothing to do with the money he was sent. And Mr O repeated this when Monzo said it might owe him some money.

But despite not wanting anything to do with the money he was sent, Mr O was going to, apparently, keep £80 of it. If Mr O wanted nothing to do with the money, he would have sent

the full £2,800 on.

By keeping £80, this suggests Mr O was receiving a payment for accepting the £2,800 into his account. This, I think, suggests Mr O knew the money coming in wasn't legitimate and he was benefitting from it.

Mr O has sent in several screenshots of messages between him and J as well as some calls. I've listened to the calls and read all the messages, but none of them conclusively prove Mr O was an innocent victim.

Mostly the messages are after the event and discussions around how unhappy Mr O is with his account closing and being accused of fraud. I know Mr O feels these messages show he's innocent, but I don't think they do, I'm afraid I don't think they prove much at all.

Overall, I'm satisfied Mr O knew, or should have known the money he received wasn't legitimate. And I think Mr O had the opportunity to protect himself from J's deception, by telling Monzo the truth when it first asked him about the payments he'd received.

I think Monzo's met the relevant test for loading Mr O to a fraud database, so it follows I can't ask it to remove Mr O details.

I'm aware of the significant impact a fraud marker loading will have on Mr O, so I've very carefully considered Mr O's complaint. I know this outcome will come as a disappointment for Mr O, but I still think Monzo fairly loaded him to a fraud database.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 April 2025.

Chris Russ  
**Ombudsman**