DRN-5434582

The complaint

Mr A complains Revolut Ltd recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly.

What happened

Mr A held an account with Revolut. On 29 October 2023, it received several payments from a third party, through bank transfers. The funds were withdrawn shortly afterwards. However, the incoming payments were later reported as being the result of a scam.

Revolut restricted the account and Mr A contacted it. He said his phone had been stolen and missing from 28 October to when he retrieved it at midday on 30 October. He submitted that he didn't recognise the payments. Revolut reviewed the information but decided to file a misuse of facility marker at Cifas, as it believed Mr A had been complicit in receiving fraudulent funds. It also closed his account.

Mr A said that he'd not done anything wrong – he said he'd been a victim of fraud, and the activity had happened whilst his phone was missing, with all his passwords stored on 'notes' to have facilitated this. Revolut asked for further information and when it didn't get a satisfactory response, concluded its decision was correct.

Mr A contacted us to see if we could help. He reiterated he'd not had any involvement in the transactions and explained the marker was adversely affecting his life. Revolut issued a response, stating it had looked at the case again, however, it wouldn't be changing its mind.

One of our investigators looked at the available evidence. She acknowledged what Mr A had said about his phone being stolen and his passwords being available, but she didn't find his explanation plausible because there wasn't sufficient evidence to support his testimony. Having considered this along with the information from Revolut, she didn't agree the Cifas marker had been added incorrectly.

Mr A didn't agree and provided some further information about what he could recall when his phone had been out of his possession. The investigator reviewed this but didn't change her mind. In line with our process, the case was put forward for a decision.

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 Mr A but I'm not upholding his complaint.

The marker that Revolut 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 Mr A 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 Mr A’s account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mr A was deliberately dishonest in receiving the payment and knew it was, or might be, illegitimate. 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 Revolut has enough evidence to show fraudulent funds entered Mr A’s account and he was complicit. And I’m satisfied that it has. I’ll explain why, by addressing what I consider are the salient points.

Revolut has provided evidence that it received reports, saying that funds which entered Mr A’s account was because of a fraud and scam. Looking at what was reported, I’m satisfied the bank was alerted to a fraud and needed to make enquiries to meet its regulatory obligations to investigate such matters.

Mr A told Revolut that he didn’t recognise the payments, and his phone had been stolen when these had taken place. I’ve thought about this, but I haven’t found Revolut’s position unreasonable, particularly considering there’s nothing compelling to corroborate the theft of the phone. Of note also, is that that one of the disputed payments was transferred to another one of Mr A’s accounts immediately, which seems somewhat unlikely if a fraudster had the ability to transfer the funds somewhere else. The circumstances as they are, suggest an awareness of the payments.

Ultimately, my role is to look at what both sides have said and provided and decide what weight to put on the evidence. Here, whilst Mr A has tried to explain the payments I’m afraid this isn’t enough to refute that his account was used to receive and benefit from fraudulent funds.

I’m sorry to hear about the difficulties he’s experiencing, and I hope he’s able to get support. But in conclusion, I’m satisfied Revolut had enough information to support the marker and close the account (there’s provision for this within the account agreement). Therefore, I won’t be requiring Revolut to take any action to resolve this complaint.

This decision completes my review of the complaint.

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 Mr A to accept or reject my decision before 14 October 2025.

Sarita Taylor

Ombudsman