DRN-5447164

The complaint

Mr N has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

Mr N found his account with Monzo had been closed and that Monzo had lodged a fraud-related marker on his record with CIFAS. This was inhibiting his ability to open any other account to receive his salary.

He complained to Monzo about the fraud marker. Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Mr N brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and believed there was enough to suggest Mr N didn't know about any fraud. His story had remained consistent throughout that he'd allowed his nephew, who he lived with, to have credits paid into Mr N's account which he then withdrew and gave to his nephew.

Monzo disagreed with this outcome and have asked an ombudsman to consider Mr N's 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.

It is clear what the requirements are prior to lodging a marker. Specifically:

"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous."

So Monzo must be able to provide clear evidence that an identified fraud was being committed, and Mr N was involved. This must go above Monzo having a suspicion of Mr N's involvement.

There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Monzo. This confirms they received a notification from another bank about a customer who'd sent money to Mr N's account to pay for football tickets (£270 and £73) which had turned out to be fake. Monzo believed the money wasn't Mr N's and could see that the money had been withdrawn at a cash machine and payments made to a third party.

But this on its own isn't sufficient to show Mr N knew what was going on or was involved.

Mr N has told us that he lived with his nephew who'd not had use of his own account. He'd helped his nephew when he said he was selling some football tickets and would be getting payments made. Mr N allowed those to credit his own account. He then confirmed to our service that he'd withdrawn money at a cash machine for his nephew and made a payment to a third party on his behalf.

This is exactly what he told Monzo when they initially queried the payments with him. It's unusual for such consistency to both parties and for the stated reason for the payment to match what was claimed by the sending bank's customer.

Like Monzo, I've seen messages between Mr N's nephew and himself about the fallout after the sending customer claimed the football tickets were fake. Mr N's nephew claimed this individual was just looking for a refund. Frankly either story could be true, although I appreciate Monzo have limited ability to interrogate the sender's story.

I'm aware that Monzo has raised further questions about the third-party payment Mr N made. They've noted this wasn't the first time Mr N's account had transacted with that individual. A credit of £120 was received from that individual on 29 March 2024, nearly a fortnight before the disputed credits into Mr N's account. This was followed by a cash machine withdrawal of £120 so I think it's more than possible, this was another transaction for Mr N's nephew.

The key aspect in reviewing this complaint is that the evidence must go beyond confirming a suspicion of Mr N's involvement and I don't believe that exists.

Putting things right

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on.

In this case I don't think the evidence required most likely exists here from reviewing Mr N's account. On this basis I believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

My final decision

For the reasons given, my final decision is to instruct Monzo Bank Ltd to remove the marker from Mr N's record with CIFAS.

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

Sandra Quinn
Ombudsman