

## **The complaint**

Mrs I complains Monzo Bank Ltd (“Monzo”) closed her account and applied an adverse fraud marker against her. Mrs I adds she couldn’t properly deal with Monzo’s queries leading up to the closure due to the severity and sensitivity of her personal circumstances at the time.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I have decided not to uphold this complaint. I’ll explain why.

Banks in the UK, like Monzo, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Monzo needs to restrict, or in some cases go as far as closing, customers’ accounts.

Monzo has given me an explanation as to why it reviewed Mrs I’s account which included asking her questions about some of the activity. I’m satisfied that Monzo did so in line with its obligations.

Monzo is entitled to close an account just as a customer may close an account with it. But before Monzo closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Monzo and Mrs I had to comply with, say that it could close the account by giving her at least two months’ notice. And in certain circumstances it can close an account immediately or with less notice.

Monzo closed Mrs I’s account with immediate effect in March 2023. Monzo has provided me with its reasons and supporting evidence as to why it acted in this way. Having carefully considered this, I’m persuaded that Monzo has acted in line with its terms and conditions – and did so fairly.

I can understand why Mrs I wants a detailed explanation, but Monzo is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Monzo has provided is information I consider should be kept confidential.

The marker Monzo filed with CIFAS is intended to record there’s been a ‘misuse of facility’ – relating to using the account to receive fraudulent funds. In order to file such a marker, Monzo’s not required to prove beyond reasonable doubt Mrs I is guilty of a fraud or financial crime, but it must show 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 such that the member could confidently report the conduct of the subject to the police”

What this means in practice is that a bank must first be able to show fraudulent funds have entered Mrs I's account, whether they are retained or pass through the account. Having looked at the information Monzo has given me; I'm satisfied fraudulent funds entered Mrs I's account.

Secondly, Monzo will need to have strong evidence to show the consumer was deliberately dishonest in receiving the fraudulent payments and knew it was, or might be, an illegitimate payment. A marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show deliberate complicity. So, I need to consider whether Monzo has enough evidence to meet the standard of proof and load a marker for a misuse of facility with CIFAS.

Mrs I has said that she wasn't clear or accurate with Monzo when she was asked about payments into her account. Given what Mrs I has told this service, I can understand why she feels she wasn't of sound mind at that time. But given the context and nature of the information requested, I find what Mrs I has told Monzo to be inconsistent and implausible. Because of this, I'm satisfied the standard of proof has been met to apply the CIFAS marker. That means I won't be asking Monzo to remove it.

In reaching this finding, I've carefully weighed everything Mrs I has told this service and Monzo about her difficult and challenging family issues. I'd like to assure Mrs I that I don't undervalue what she has said, and I empathise with what she has had to endure. I've also thought about how this may have affected her ability to communicate effectively with Monzo. But I still think Monzo acted fairly in closing her account with immediate effect.

As I don't think Monzo has done anything wrong, I see no basis in which to award any compensation for the distress and inconvenience Mrs I has been caused.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 21 October 2025.

Ketan Nagla  
**Ombudsman**