

The complaint

Mr S complains that Monzo Bank Ltd ('Monzo') registered a Cifas marker against his name and closed his account without due cause.

What happened

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But, in summary, in April 2024 Mr S received numerous deposits into his account which were spent, withdrawn or sent on via faster payment. These deposits were later reported as having been sent as a result of a fraud. Monzo asked Mr S for proof of entitlement to the funds he had received. Monzo then reviewed his account and took the decision to close it with immediate effect and refer Mr S to Cifas for misuse of facility.

Mr S said that he believed that he had been offered employment by someone who said he ran a car rental business, whom he met on a social media app. He provided his identification and bank account details, and was told that he would be doing things such as booking taxis. He said they got in touch and said their account wasn't working, so asked him to use his account to receive deposits from customers who wished to book rental cars. He said he would then be asked to send the funds on elsewhere, or remove the funds in cash and ask him to deliver the funds to people. He said he would be paid £50 'here and there'. Mr S said he had no idea that the funds were fraudulent or that he was involved in anything illegitimate.

Unhappy with what had happened, Mr S complained to Monzo who declined to uphold his complaint. In short, they said that they had decided to maintain the information they had reported to Cifas as they had not identified any errors. They also maintained their decision to close his account, and said this was done in line with the terms and conditions of his account.

Mr S remained dissatisfied, so he escalated his concerns to our service where one of our investigators looked into what had happened. They provided an initial view of his complaint, in which they recommended that his complaint be upheld on the basis that they thought that Mr S had been an unwitting money mule. So, they recommended that Monzo remove the Cifas marker and pay Mr S £100 for the distress and inconvenience caused. But they did say that Monzo were entitled to close his account, in line with the terms and conditions of his account.

Monzo did not agree. They said, in summary, that:

- They did not agree with our service's definition of an unwitting money mule, and thought it was at odds with the NCA's definition and 'copious amounts of public material available' of what was considered a witting and unwitting mule.
- They did not agree that Mr S was an unwitting money mule – they said he was recruited as a mule and thought therefore he should properly be considered a witting money mule.
- They had met the standard of proof in accordance with Cifas' own guidelines to register a Cifas marker against Mr S.

Our investigator considered Monzo's response carefully, along with additional evidence they requested from Mr S and revised their recommendations. They said that they were not

persuaded by Mr S's explanation of events, including his inability to share more evidence of conversations with the person he said he thought was employing him.

Mr S did not agree. He said he did not wittingly commit fraud. He said he no longer had access to messages as the purported employer had blocked him on the social media app he had spoken to them through. As no agreement could be reached, the case has been passed to me to decide.

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 reached the same conclusion as our investigator did in their most recent view. I know this will be disappointing for Mr S, but I will explain my reasoning.

The type of Cifas marker that Monzo applied here is for 'misuse of facility' – relating to Mr S's Monzo account being used to receive and send on fraudulent funds. In order to file this marker, Monzo are not required to prove beyond reasonable doubt that Mr S is guilty of a fraud or financial crime, but instead they must show that there are grounds for more than mere suspicion or concern that such an offence took place. Cifas guidance said:

- *“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.”*

So, the relevant findings for me to make are whether I believe there is sufficient evidence to conclude that on balance the money sent to Mr S constituted fraudulent funds, and that he acted with deliberate intent or with dishonesty in relation to receiving and moving these funds such that Monzo fairly and reasonably escalated their concerns to Cifas.

Monzo have shown evidence that the funds were sent as a result of a rental car fraud. The senders believed they were paying towards renting cars, but never received the service and were blocked by the person they had been speaking to over social media. Mr S has not demonstrated that he had a legitimate claim to these funds – simply that he was unaware at the time that they were sent as a result of a fraud. So, I think it is safe to conclude that the funds were indeed sent as a result of fraud.

So, what is left for me to determine is whether I think Mr S received and moved the funds dishonestly – and was a witting money mule in this case. And having considered the available evidence, I think Monzo have done enough to satisfy themselves that this was the case here. Monzo are correct in so far as saying that a witting money mule does not have to know the exact provenance of funds for them to make a loading – and that nativity of the law is not a defence. But, in line with Cifas's own guidance on money mules, member firms must have enough evidence to show that the customer was aware that the payment they were receiving was, or may be, from an illegitimate source.

Mr S told Monzo and our service consistently that he found a job on one social media platform and then moved the conversation to another social media platform. However, the evidence he has been able to provide is not consistent with the story he has told. I say this because:

- Whilst there is evidence of someone having a conversation looking for a job, this was not provided to Monzo at the time of the conversations about the source of funds. It was later provided to our service.
- What was provided were numerous screenshots of conversations that appear to be from the fraudulent social media account arranging the movement of funds into Mr

S's account, purportedly for car hire. I appreciate Mr S has now explained that the scam 'employer' sent these to him when he asked what he was to say to Monzo about the source of funds, but he only said this after our investigator recommended his complaint was not upheld.

- Further to this, the conversations suggest that on balance it was indeed Mr S who was talking to the person arranging a car hire. I say this because the person sending the messages asks about what the sender has done as their account has been blocked – providing a screenshot of the questions Monzo was asking Mr S. Mr S says he sent the screenshot to the 'employer', who was the one who sent it on, but it would seem strange they would ask why their account had been blocked if it was not Mr S speaking.
- The person speaking also says the fraud report has slowed down 'their' business due to their account being blocked – so it seems likely that Mr S had more involvement in what was going on than he has declared to our service.
- If Mr S was not the originator of the fraud, I think there would have been strong reasons to do further due diligence around the legitimacy of the funds he was receiving and moving on. According to Mr S he found the work over social media, and was asked only his age, his location and to send his identification and bank details. This would not be in line with how legitimate employment tends to be found.
- The nature of the work also seems at odds with legitimate employment – complex movements of money for a car hire business. It would be reasonable for someone to question why their account was needed to receive and move on funds for a legitimate business – and this should have been a cause for concern for Mr S.
- The person I believe Mr S was talking to also sends his identification and then says it is coming from an account held in someone else's name, which I would have expected to give cause for concern that this was not a legitimate business if Mr S did think he was carrying out legitimate employment.
- Whilst Mr S said the funds he retained were his wages, this ought to have caused him to be suspicious of the provenance of these funds. It would not be normal to be paid money 'here and there' and to retain leftover funds after booking taxis. One would expect legitimate employment to be carried out at an agreed upon rate – whether per hour or an agreed on total amount.

So, having considered all of the evidence, I think it was fair and reasonable for Monzo to believe that Mr S had been involved in a fraud or financial crime, and by extension I see no error in their decision to refer Mr S to Cifas.

Regarding the account closure, the terms and conditions of the account allow for Monzo to close Mr S's account where there is evidence of fraudulent activity on the account. Given that I consider it fair for Monzo to have believed Mr S was involved in fraud or financial crime, I think they acted within the terms and conditions of the account to close it.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 November 2025.

Katherine Jones
Ombudsman