

The complaint

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

What happened

Mr M opened an account with Revolut in January 2022 but used it very little. In October 2023 Mr M's account with Revolut was closed. This took place after he'd received two credits totalling £8,000 into his account. Two payments of £5,600 and £2,400 were then made to another account in Mr M's name. After review Revolut closed Mr M's account and lodged a fraud-related marker on his record with CIFAS.

Mr M found he was having trouble opening other bank accounts and this was having a massive impact on his mental health. He discovered there'd been a CIFAS marker placed on his record. He asked Revolut to remove the marker which initially they confirmed they were in the process of doing. However, Revolut then confirmed they didn't feel they'd done anything wrong and refused to remove the marker.

Mr M brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. She noted Revolut had not been convinced by Mr M's evidence that the funds were his after they'd become aware these were fraudulent funds. It was clear that Mr M had no right to this money. She wouldn't ask Revolut to remove the marker.

Mr M disagreed with this outcome. He's asked an ombudsman to consider his 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 Revolut must be able to provide clear evidence that an identified fraud was being committed and Mr M was involved. This means that they must have more than a suspicion or a concern that Mr M may be involved.

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

I've seen the evidence provided by Revolut. This confirms they received a notification from another bank that one of their business customers had sent two payments to Mr M's Revolut account as the result of an invoicing alternate account scam. After these credits were received into Mr M's account, he transferred all of this money into another account in his name.

There's also a record of contact between Revolut and Mr M where I can see Mr M provided a copy of an excerpt from the sending bank about the credits. However, I can see why Revolut felt this wasn't sufficient to show Mr M was eligible to receive the funds as this evidence appears falsified.

I'm in no doubt that these credits didn't belong to Mr M. An identified fraud had been committed. However, I also need to be satisfied that Mr M knew what was going on when money that wasn't his was being paid into his account.

I have considered what Mr M has told us. He's provided evidence of his mental health situation along with powerful testimony from his mother. This has specifically confirmed he *"lacked awareness of the implications of his involvement"* and *"was under duress"*.

Mr M has told our service that he was contacted by a third party using social media and that he ended up allowing them to use his account for receiving credits which would then be transferred to a crypto account. It's also clear from what Mr M has said that he was involved in crypto business around this time. That's one of the reasons he said he set up the Revolut account in the first place although his use of that account was patchy.

Mr M doesn't dispute the two payments made from his Revolut account using the full funds received into his account went to another account in his name. He's said these transfers were all done by the third party and that money from his other account then went to crypto accounts that had nothing to do with him. Mr M hasn't provided us with any evidence of the transactions from his other current account. I know this account is now closed but his reticence about providing this evidence is telling. Therefore, there's nothing to show these payments from his other account weren't made by him investing in crypto.

In fact evidence provided by Revolut shows transfers from Mr M's Revolut account were most likely made by him as they were completed using the mobile registered to his account throughout the life of the account. I think it's extremely unlikely that a third party had access to Mr M's mobile, particularly as he'd told us he never met these individuals.

I believe I have given proper consideration to the issues Mr M has highlighted. This includes his state of mind, the fact he may not have understood the implications and the strength of input by his mother.

I don't doubt Mr M has had severe mental health issues although the evidence he's shared is not as conclusive as he believes. I suspect he feels the impact of what has happened – that he's no longer able to access bank accounts easily – is as serious as the original event. However as I'm satisfied that he was aware he wasn't the genuine recipient of money and then made transfers using these funds which weren't his means that Revolut has a basis for lodging a CIFAS marker.

On this basis, I don't believe it would be fair and reasonable to ask Revolut to remove the CIFAS marker.

Putting things right

However, like our investigator I note that Revolut clearly let Mr M believe they would be

removing the marker in March 2024. That doesn't mean they should now remove the marker, but I believe this would have caused additional distress to Mr M. I will be asking Revolut to pay him £100 for this error.

My final decision

For the reasons given, my final decision is to instruct Revolut Ltd to pay £100 to Mr M for the distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 June 2025.

Sandra Quinn
Ombudsman