

The complaint

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

What happened

In July 2024 Monzo received a fraud report from another bank about a payment made into Mr A's Monzo account. This payment was for £130. They queried this with Mr A asking him to show he was entitled to this money. Mr A didn't respond. Monzo emailed again but they still didn't get any response. Monzo sent Mr A a message on 23 July 2024 to confirm that they were closing his account.

They also lodged a fraud-related marker on the CIFAS database.

A few months later after his main bank account had been closed down and Mr A found it difficult to open another account, Mr A asked Monzo to remove the marker. Monzo confirmed they didn't feel they'd done anything wrong and refused to remove the marker.

Mr A brought his complaint to the ombudsman service.

Our investigator noted Mr A had no evidence to share with our service and denied knowing about the credit or Monzo's query. She could see from Monzo's evidence that most likely Mr A had benefitted from this money. She felt that Monzo had enough evidence to lodge a CIFAS marker.

After receiving the view, Mr A appealed to our service to consider his complaint sympathetically. He was finding it difficult to open a bank account, and this was having an impact on his decision to pursue further education. He believed he'd also been turned down for employment because of the CIFAS marker.

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 A was involved. This means that they must have more than a suspicion or a concern that Mr A may be involved.

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 that a customer had sent money to Mr A's account after believing they were reserving accommodation.

Mr A's account statements show he benefitted from this money. He also made two transfers using these funds within 10 minutes of the money landing in his account, demonstrating that he was expecting this money.

Mr A told Monzo and our service he was selling items but has provided no evidence to show this was the case. He has also denied knowing what credit Monzo were talking about, despite Monzo being able to show that Mr A opened his app shortly after this message was sent.

Our service specifically shared the message again with Mr A so he had a further opportunity to provide evidence about what this was. Mr A has provided evidence to confirm that his email server wasn't in a position to deliver any further messages to him at this time. That doesn't explain why he didn't respond within the Monzo app where he would have been able to see this message. He's re-stated that he was selling items – dumbbells – and someone came to his home and agreed to buy them and immediately sent him the money. This, however, doesn't explain why the statement narrative states this payment was for accommodation or why that individual claimed he'd been defrauded.

I have noted Mr A's youth and age at the time of the offence. I think it's more than likely he was persuaded into accepting the credit, in exchange for being able to keep some of the funds. This suggests to me Mr A was acting as a money mule.

In accordance with the rules about lodging a marker, I have no choice but to accept that Monzo acted properly.

On this basis, I don't 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 not to uphold Mr A's complaint against Monzo Bank Ltd.

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

Sandra Quinn
Ombudsman