DRN-5503840

The complaint

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

What happened

In November 2024 Monzo received fraud reports from another bank and one of their own customers about payments made into Mr H's Monzo account. These payments were for £85 and £50. They queried these with Mr H asking him to show he was entitled to this money. Mr H confirmed he'd done some website-related work and provided invoices to support this.

Monzo weren't convinced by Mr T's testimony. They closed his account and lodged a fraud-related marker on the CIFAS database.

A couple of months later, Mr H asked Monzo to remove the marker. Monzo confirmed they didn't feel they'd done anything wrong and refused to remove the marker.

Mr H brought his complaint to the ombudsman service.

Our investigator noted the evidence Mr H had shared with Monzo and our service. However, she felt this wasn't convincing nor matched the two different people that had paid Mr H. It was also clear that most likely Mr H had benefitted from this money. She felt that Monzo had enough evidence to lodge a CIFAS marker.

After receiving the view, Mr H appealed to our service to consider his complaint sympathetically. He was finding it difficult to find a job and was more than willing to repay £85 if this was what was required. He felt any punishment was disproportionate to what had happened. He remained certain that he'd provided work on a website in exchange for funds.

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 H was involved. This means that they must have more than a suspicion or a concern that Mr H 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 H's account after believing they were buying football tickets. There was also a complaint that Monzo received from one of their own customers about money sent to Mr H's account for another separate reason.

Mr H's account statements show he benefitted from this money.

Mr H told Monzo he was providing website services and argued that the two payments (£85 and £50) were for one service totalling £135. He also provided two invoices to demonstrate this.

However, I find Mr H's evidence unconvincing. Both individuals seem to have complained about services they were buying from Mr H but these differ from each other nor do they match what Mr H say he was selling.

The invoices also don't appear to be professional or show any link to the services Mr H may have been providing or anything related to the persons who were buying the services, apart from their names.

I'm aware that Mr H is now very concerned at the impact of the CIFAS marker and has said he is willing to repay the £85 he received. This suggests to me that Mr H may have been persuaded into some type of fraud.

However, 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 H's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 September 2025.

Sandra Quinn
Ombudsman