

The complaint

Mr N complains that Monzo Bank Ltd ('Monzo') registered a Cifas marker against him without due cause.

What happened

In August 2024, Monzo received a report from another financial business to report that Mr N's account received funds totalling approximately £1,900 which were sent as a result of a scam. Monzo reached out to Mr N to ask him what the payments were for and why he received them. Mr N told Monzo that the money was not his. He explained that he had received the money on behalf of a friend in order to help him pay his university fees. He said he had received and sent approximately £10,000 which was sent to him from different people to pay for his friend's university fees. Monzo undertook a review of Mr N's account, and took the decision to close it and register Mr N's details with Cifas.

Unhappy with how they had handled things, Mr N complained to Monzo. He also complained that he had been tricked into sending £2,000 to a third party, though this is being dealt with under another complaint.

Monzo looked into his complaint and did not agree that they had done anything wrong. They said that they had decided to maintain the information that they had provided to Cifas. Monzo said Mr N had not been able to provide evidence that corroborated his testimony. They said that they could see that funds were exited in a rapid and quick succession to brand new third parties, in a way that did not match up with what Mr N said happened. They said he had not provided any evidence of the existence of a third party orchestrating the activity so they suspected he was aware or involved in the fraudulent activity.

Mr N remained dissatisfied, and so he escalated his concerns to our service. One of our investigators looked into what happened and did not recommend that his complaint be upheld. They said that whilst Mr N had told us that the money was to help a friend pay for university fees and he had shown he made payments to a university, the specific funds in dispute had not been paid to a university. The disputed transactions into and out of the account were made after the payments to the university. Our investigator spoke to Mr N who told them that if it was not paid to the university, it was still to help for university costs such as his friend's accommodation. He said he trusted his friend and did not ask many questions as he thought he was helping his friend out. Our investigator said in their opinion of this complaint that it was unclear why he would have to send money to third party accounts if it was to help a friend with living costs. So, on balance, they said there was not enough supporting evidence to ask Monzo to remove the marker – as it appeared they had met the relevant evidential threshold.

Mr N did not agree. In his first correspondence after our investigator shared their opinion on his case, he got in touch to say he wanted it to be reconsidered. He reiterated that the 30 May 2025 payments were sent to him with the intention of assisting a friend, and added that the payments were also to help another acquaintance, in paying for university related expenses. He said that whilst the specific transactions were not directly followed by a university payment, they would have been used to pay for accommodation or pending tuition related services. He said the individuals involved were not proficient in managing their own

transfers and so he helped out of trust and good will. He said he had no reason to suspect the funds were fraudulent.

Mr N wrote to us again after our investigator issued their view of the complaint and said he was providing a statement from his friend, who wished to clarify and submit additional information regarding the source and purpose of funds. The message said the payments into the account were sent by his brother from the UK, specifically to help him pay his tuition fees and related living expenses as he was studying at the time. He said that these were personal family transfers, and he had no reason to suspect that the funds were fraudulent. He said his brother sent them in good faith with the intention of supporting his education. There is no indication of who wrote this, it is an email which is only signed by Mr N himself.

Our investigator said their opinion hadn't changed – they felt Mr N's story had changed and regardless, none of his explanations explained why the two payments would have had fraud reports raised about them. They said that there was no evidence of further university fees or accommodation costs being paid with these funds, but that ultimately where they went was not as important as the source of funds, which was yet to be satisfactorily explained.

Mr N wrote to our service again and said that he would like to clarify that the funds were sent to his account as part of a third party money exchange arrangement, where he was asked to assist in forwarding money on behalf of a student for tuition fee payment. He said due to a miscommunication or processing issue at the sending end, a higher amount than intended was transferred into his account. He said as soon as he became aware he transferred the excess payment to its rightful owner. This did not change our investigator's opinion, so 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, and for broadly the same reasons. I'll explain why.

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

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 N was as the result of a fraud, and that he was deliberately dishonest in relation to this, such that Monzo fairly and reasonably escalated their concerns to Cifas. I do think that Monzo were entitled to do so, I will explain why.

The first question I need to answer is whether I think there was sufficient evidence that the funds Mr N received were sent as a result of a fraud or financial crime. The sending bank submitted a detailed fraud report as their customer had been the victim of an authorised push payment ('APP') scam. The sending bank explains the type of fraud and how it

occurred. The type of fraud described has nothing to do with money exchange or paying too much money in error – it relates to paying for unrelated services which were not provided. So I think on balance it seems likely that the funds were sent as a result of a fraud – but this does not in and of itself mean that the Cifas marker is fair. So, I must consider whether I think that it is most likely that Mr N was involved in the receipt and sending on of these funds, and whether he was deliberately dishonest in doing so. And I think he most likely was, I say this because:

- Mr N has been inconsistent in his version of events between when he first spoke to Monzo, and when our investigator issued their view of the complaint, to now.
- His version of events was that he received the funds in order to pay university fees for a friend. Mr N was able to show he had paid university fees from his account, but as our investigator pointed out in the view of this complaint, these payments to a university took place before the fraudulent funds were sent to his account.
- After our investigator pointed this out to Mr N, he said that the funds would have been for accommodation or future fees. However, there is nothing on the statements after the funds were received that makes it clear that the funds went to a university or towards accommodation costs.
- It was also never clear why he would have needed to receive and send on money for his friend. He told us that the individuals involved were not proficient in managing their own transfers. However, if the person sending him money was able to send him money, it is unclear why they could not send it to the university or landlord or to the friend's account.
- It was also not clear exactly who he was receiving and sending this money for. He initially told us it was for a friend, then he told us that it was on behalf of a friend and their acquaintance. It is unclear why this changed when he had consistently said it was just for his friend for most of the complaint. It would also seem strange that he did not question why someone needed him to send and receive funds on their behalf if they were a mere acquaintance.
- The statement that Mr N said was from his friend said the funds were sent from their brother in the UK. If this were true, it would seem strange that the brother could not send the funds themselves, or certainly that their brother would then raise fraud reports about the money he had sent, which talked very specifically about an APP scam that had nothing to do with any of Mr N's versions of events.
- There is nothing to confirm the statement from the 'friend' is from anyone else – there is not even a name on it. Given that Mr N's account of what happened changed again after this statement, it calls into question the provenance and truthfulness of this 'statement'.
- Mr N was quite detailed in his version of events prior to our investigator's view. But when the inconsistencies were made clear to him, he changed his story. Mr N then told our investigator that he had received and sent the funds as part of a third party money exchange arrangement. He said he was asked to assist in forwarding money on behalf of a student for tuition fee payments. He said the reason there was a fraud report raised by the sending bank was because they had sent a higher amount than they intended – but that he tried to put things right when he realised this had happened.

- If this is what happened, I've not seen why this explanation was not given previously. The inconsistencies in Mr N's story make it hard to believe what he has told us. I have reviewed the translated versions of messages Mr N provided our service, and I have seen evidence of conversations about sending money but nothing which tells me that Mr N was an unwitting money mule here. I think there has been a lack of a plausible and evidenced story which would show Mr N as acting honestly here.

When considering all of this, I don't think either version of events that Mr N has given are what most likely happened here. I am of the opinion that it is most likely that Mr M was complicit in the receiving of fraudulent payments. And he did not need to be aware of the exact provenance of the funds for me to make these findings, just that it was likely they were not legitimately come by. And so, it follows that Monzo have met the requirements to refer him to Cifas and I won't be asking them to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 27 June 2025.

Katherine Jones
Ombudsman