The complaint

Miss B has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in her name.

What happened

In July 2024 Monzo received a fraud report from another bank about a payment made into Miss B's Monzo account. This payment was for £55. Monzo reviewed Miss B's account and spotted specific payment behaviour that caused them alarm. They decided to close Miss B's account.

A few months later after having trouble with other bank accounts, Miss B asked Monzo to remove the marker. Monzo confirmed they didn't feel they'd done anything wrong and refused to remove the marker.

Miss B brought her complaint to the ombudsman service.

Our investigator noted Miss B had said she'd lost her debit card, and that a new card was sent to another address. This didn't match Monzo's records which showed Miss B's own device being used at the time of the disputed credit. He was also able to note Monzo's other concerns about the way Miss B was using her account and felt Monzo had enough evidence to lodge a CIFAS marker.

After receiving the view, Miss B's mother representing her daughter appealed to our service to consider her complaint sympathetically. She was young and her mother didn't believe she could have acted fraudulently. She was also concerned at the long-term implications of any 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 Miss B was involved. This means that they must have more than a suspicion or a concern that Miss B 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 Miss B’s account after believing they were buying trainers which they didn’t receive.

Monzo also reviewed activity on Miss B’s account. They noted a number of credits, and matching expenditure in retailers – using Miss B’s debit card – which they believed suggested Miss B was either acting as a money mule or assisting in some sort of refund fraud.

Monzo was also able to show that five different mobile devices were linked to Miss B’s account which supported their belief she may have been acting as a money mule. They’d been able to identify that some of these mobiles were linked to other fraudulent use.

Miss B told our service she lost her debit card and has also provided contradictory testimony about the security of her mobile device. She’s also been unable to explain that money was sent to someone she knew. If her account had been taken over, as she suggested, it’d be very unlikely that money was sent to someone she knew.

I have considered Miss B’s personal situation. She is young and was only 16 at the time her account was closed. I’m certain she’s not telling the truth about what was going on, although this isn’t unique for people of her age. This on its own wouldn’t merit any CIFAS marker being lodged. However having reviewed Monzo’s evidence of Miss B’s account use, I’m satisfied this is sufficient.

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

Because of Miss B’s age, the marker will come off her record in August 2026.

My final decision

For the reasons given, my final decision is not to uphold Miss B’s complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss B to accept or reject my decision before 25 September 2025.

Sandra Quinn
Ombudsman