

## The complaint

Miss C complains that Monzo Bank Ltd unfairly registered a marker about her at Cifas, the national fraud database. She wants the marker removed.

## What happened

Miss C had an account with Monzo.

On 29 July 2023 two payments of £1 and a payment for £999 were made into Miss C's account, from an individual I will refer to as W.

After the payments were received Miss C transferred £100 to another account in her name, withdrew just under £500 at ATM's and spent the remaining money at various retailers.

In August 2023, Monzo were notified by another bank that the payments Miss C had received from W were fraudulent and that their customer had been the victim of a scam. W told their bank that they had seen a car part advertised on a social media website and sent £1,000 to Miss C's account. But had received nothing in return. W said that the seller of the item then blocked them on the website from being able to contact them.

Following this Monzo blocked Miss C's account. Miss C contacted Monzo when she discovered that she couldn't use her bank card. Monzo asked her to tell them why she'd received the payments from W, and to provide any evidence she had to show she was entitled to the money.

Miss C told Monzo that her boyfriend, who I will refer to as T, had sold a car engine to W and had asked her if the proceeds of the sale could be paid into her account. Miss C said that T owed her money for expenses she covered whilst they were on a recent holiday together, so she was happy for money to come into her account. She explained that W had sent £1 initially to ensure it was the right account and then made another payment of £999. She also said that T had been in touch with W and that they had confirmed that they had received the car part. And had no issues with the sale.

Monzo reviewed the information but didn't think it showed Miss C was entitled to the funds. Following this Monzo decided to close Miss C's account and placed a fraud marker against Miss C's name with Cifas. This was for misuse of a facility in relation to retaining fraudulent funds.

Miss C discovered the Cifas marker when her other bank account was closed. She complained to Monzo and asked them to remove the marker. Monzo reviewed everything including what Miss C had told them. After reviewing everything Monzo said it wasn't willing to remove the marker.

Unhappy with this response Miss C brought her complaint to our service. She said that T had made a sale on a website for a car part. And that this is a usual thing for him to do as he buys and sells car parts. Miss C said that she couldn't provide any evidence, such as an invoice or proof of delivery to back up her explanation. She said the Cifas marker had led to

other bank accounts she had being closed and that she was very worried about her financial future, and how the marker would impact her job prospects.

An investigator looked into Miss C's complaint and asked Monzo and Miss C for some more information about what had happened. Miss C told the investigator that she didn't know anything about the fraudulent payments paid into her account. And that as far as she was concerned it was payment for a car part her boyfriend had sold. And that T had been in touch with W to confirm everything was fine.

After reviewing everything the investigator said that Monzo hadn't acted fairly when they had loaded the marker against Miss C. They said that they couldn't rule out that this was simply a buyer/seller dispute. To put things right they said Monzo should remove the marker and pay Miss C £200 compensation for the trouble and upset the marker had caused her.

Miss C was happy with what the investigator had said about her complaint. Monzo disagreed and said it wasn't willing to remove the marker. And that it had been applied fairly. In summary Monzo said:

- Miss C had told them that her partner had sold a car engine. But no proof was provided, such as an invoice or conversations between T and W.
- No evidence had been provided that T had got in touch with W.
- No proof of delivery of the engine part had been provided by Miss C.
- Miss C said she accepted the payment, as she'd paid for joint leisure activities for her and her partner. Yet the activity on the account following the receipt of these funds would not suggest these funds were owed.
- The funds were spent within a day of the funds being received. There were numerous ATM withdrawals, as well as funds being transferred to another account in the Miss C's name. The rapid exit/expenditure of the funds would suggest Miss C was aware the funds were fraudulent.
- As a receiving bank, Monzo accepts that the sending bank has done some due diligence prior to sending the fraud report, as the report was validated, Monzo must accept that the sending bank has seen proof to confirm their customer has been scammed.
- While it appreciates there's a gap of around a month between the money being paid to Miss C, and the fraud report being made to Monzo. The bank believes this may have been due to the Miss C or T communicating with the buyer and suggesting there have been delays, and this was touched upon in the fraud report rationale where W said, "Kept saying was going to send it and now been blocked". This would explain the delay in making the report.

As no agreement could be reached the matter came to me to decide. After reviewing all the evidence, I issued a provisional decision which said the following:

*The marker that Monzo filed with Cifas against Miss C is intended to record that there's been a 'misuse of facility' – relating to using her account to receive fraudulent funds. In order to file such a marker, they're not required to prove beyond reasonable doubt that Miss C is guilty of a fraud of financial crime, but they must show that there are grounds for more than mere suspicion or concern. Cifas 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.*

*What this means in practice is that a bank must first be able to show that fraudulent funds have entered Miss C's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that the consumer was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. But a marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show deliberate complicity. There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.*

*Here Miss C received funds into her account that were confirmed by a third-party bank to have originated from fraud. The bank reported that their customer, W, had fallen victim to a scam. W told their bank that they'd sent money to Miss C's account after seeing an advert for a car part on a social media site. W says they never received the item, and that the seller then blocked all contact.*

*Monzo told Miss C that they had concerns about the payments that had been paid into her account by W. Monzo asked Miss C to send them evidence of where the funds had come from and proof that she was entitled to the money. In response Miss C told Monzo the money was the proceeds of a sale of a car part her partner had sold to someone on a social media website. She said that her partner owed her money and repaid her with the money he made from the sale. She didn't provide any evidence to support her explanation.*

*Whilst I'm satisfied Monzo did provide Miss C with an opportunity to explain why she'd received the money from Miss C, I think it could have explored things a little further. With this in mind, I can see the investigator asked Miss C to provide any information she had about her entitlement to the money she received from W and what she did with it.*

*In response, Miss C said she couldn't provide anything more such as an advert, any conversations T had with W, invoice, or delivery information. So, I need to consider whether based on all the information including the evidence Miss C has submitted to us, whether Monzo had sufficient evidence to meet the standard of proof and load a marker for misuse of facility with Cifas. Having looked at all the information provided, I'm satisfied they did, and I say this because:*

- I've seen the evidence from Monzo that confirms they were notified by another bank that the money Miss C received from W originated from fraud.*
- Miss C was asked by Monzo and this service about the money she received from W. Miss C told Monzo that her partner T had sold a car part, and the proceeds of the sale were paid into her account. Miss C said T deals in car parts and owed her money for a recent holiday the pair had taken together.*
- I haven't seen any evidence of the car part itself, original purchase, or invoice for the sale, which I would expect to see for a car part of such high value.*
- Miss C has explained that T sold the car part after advertising it on a social media platform. We've asked Miss C to provide evidence of how the sale came about – such as an advert or any messages T had with the buyer on the platform. Given Miss C's close relationship with T I'd expect her to be able to provide this evidence to support the sale – albeit she'd have to rely on T to provide this to her – especially given the reason Miss C needs the information – to have a marker removed that is impacting her ability to obtain and maintain a bank account. But she hasn't done so.*
- Miss C has said that T has been in contact with W about the car part and that W confirmed they'd received the item and didn't have any issues with the transaction.*

*But she hasn't been able to provide any evidence to support this such as how the item was sent to W, who told their bank that the item hadn't been received. I've also not seen any evidence that T attempted to reach out to W, as Miss C claims, via his social media platform to resolve things at the time. If as Miss C suggests this is a buyer/seller dispute, she hasn't shown that this has been resolved, or that any attempts were made to resolve it which would have been a reasonable action to take. I find the fact there is no evidence at all just isn't credible. If this was a legitimate transaction, I'd expect there to be some evidence that led up to this arrangement which Miss C could provide. But nothing has been provided.*

- I've considered what Miss C has said about the money she received from W. But I've also looked at the evidence Monzo has provided, and this paints a rather different picture to what Miss C has said about the funds. I say this because on 29 July 2023 at 12:21pm the account received an inbound faster payment of £1.00 from W. At 12:27pm the account received £999.00 from W. At 1:42pm £226.60 was withdrawn at an ATM. At 2:08pm an outbound faster payment of £100.00 was transferred to an external account in the customer's name. Further funds were then spent at supermarkets.*
- Miss C hasn't been able to provide any evidence that T owed her any money. And repaid her with the funds W sent to her account. I think the speed at which the funds were moved and spent suggests Miss C was most likely expecting the payment from W. And benefitted from fraudulent funds.*
- Overall, this, taken together with my concern about the lack of evidence to support Miss C's explanation, leads me to doubt the credibility of Miss C's version of events and suggests to me that Miss C was potentially involved in fraudulent behaviour.*
- I've considered what Miss C says about the impact the marker has had on her. But in my view, based on all the evidence, I think it's most likely she allowed her Monzo account to be used for receiving fraudulent funds. So, I'm not convinced Miss C is an innocent party. As far as I can see, the evidence strongly supports that Miss C was knowingly involved in fraud, whether directly, or as a money mule. So, I think the evidence shows that Miss C was involved in a misuse of facility.*

*In summary, the requirements around banks lodging markers at Cifas include there being sufficient evidence that the customer was aware and involved in what was going on. Miss C has received funds into her account that have originated from fraud. She has been unable to provide any corroborative evidence to support her testimony that she is an innocent party of the transfer of the funds and was unaware of their origins. I also find that the suspicious circumstances of the movement of the money, adds weight to this argument.*

*Having looked at all the evidence I'm satisfied this shows there were reasonable grounds to suspect that fraud had been committed. And from evidence I've seen that Miss C was likely complicit in this. On this basis I don't currently think it would be fair or reasonable to ask Monzo to remove the marker and pay Miss C any compensation.*

Miss C didn't respond to my provisional decision. Monzo agreed with my provisional decision.

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

### **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.

As neither party has provided anything new for me to consider, I see no reason to depart from my provisional findings. I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 25 June 2025.

Sharon Kerrison  
**Ombudsman**