

The complaint

Mr A has complained about Monzo Bank Ltd registering a fraud marker against him.

What happened

Both sides are most familiar with the case, so I'll summarise things more briefly.

Mr A opened an account with Monzo after moving to the UK. He received a series of funds from third parties, which he quickly withdrew in cash or spent.

Monzo received an official report that Mr A had received fraudulent funds. This particularly centred on a £1,000 credit Mr A had received and spent. They questioned Mr A about this and repeatedly chased him. His answers were contradictory and he did not provide relevant evidence of his claims. Monzo closed Mr A's account and registered a fraud marker.

Later, Mr A complained, and provided various different versions of events.

Our Investigator looked into things independently and didn't uphold the complaint. Mr A didn't agree, so the complaint's 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.

In order to register this marker, Monzo were not required to prove beyond all reasonable doubt that Mr A had done something wrong. They did need to have reasonable grounds to believe that he'd misused his account, which went beyond a suspicion or concern, and which had appropriate supporting evidence. Having carefully considered everything that both sides have said and provided, I think Monzo did have sufficient grounds to register this marker. I'll explain why.

Monzo received an official report of fraud from another institution. The particular credit in focus came from someone who was defrauded into paying Mr A.

The activity on Mr A's account was highly consistent with fraudulent use. This was a newly opened account being used to receive funds from various third parties, which were then withdrawn in cash, spent, or otherwise passed on. Mr A was also doing the same on other accounts. His activity matched that of a money mule. When the fraudulent funds came in, Mr A quickly spent them, such that they couldn't be recovered once fraud was reported. Mr A directly benefitted from the reported fraud.

Monzo proactively questioned Mr A about this and tried to gather evidence. They chased this up with him, and clarified what they needed when he was evasive. But Mr A was not co-operative. He gave conflicting testimony, he claimed the sender was his friend but he was unable to answer what their full name was, and he did not provide any relevant evidence to support his story. In the end, he stopped answering Monzo's questions altogether.

So based on what Monzo knew at the time, I find that they acted fairly in registering this marker against Mr A.

Mr A has since provided a lot of evidence and testimony. While I have read and taken all of it into account, much of it was not very relevant, so I'll keep my findings focused on the key points. Even in light of Mr A's later submissions, I still find that it's fair for this marker to remain for its full term. I'll explain why.

Mr A's testimony has been highly contradictory. There have been multiple instances during the course of this case where Mr A has given testimony, then has been asked for evidence to support his testimony which should be straightforward to get, or it's been pointed out that the evidence at hand shows his testimony to be untrue, then he's changed his testimony to something very substantially different, which often introduces new contradictions. I won't go through every single error in Mr A's testimony, but some examples include:

- Mr A initially said the £1,000 credit was a business transaction for items he was shipping to the sender. When asked for straightforward evidence of this such as receipts, invoices, shipping records, and so on, he completely changed his story and said the sender was a friend lending him funds for rent. When asked for evidence of that like communication with his friend or his friend's full name, he repeatedly dodged the question then stopped replying to Monzo about it. He then told us the sender was his cousin's friend who had lent to him via his cousin, and he'd never met them.
- Mr A said he'd spoken to the sender directly and sent them his tenancy records, then said they'd never spoken at all.
- Mr A said that he'd paid the sender back, then that he'd paid his cousin back, then that actually the sender wasn't owed any money back due to a previous debt so it was right that they hadn't been repaid. Then he provided a screenshot of his cousin sending money to a completely different person's account and claimed this showed that the sender had been paid back.
- Mr A said he'd spoken with the sender by text and claimed he could provide their chat history, then said all contact was via his cousin over phone calls, then was asked for his call logs and said he couldn't provide these, then said actually their contact was face-to-face, then provided screenshots of texts with his cousin and the sender (which were likely faked – I'll come to this later).
- Mr A claimed alternately that either he or his cousin were close enough friends with the sender to be lent substantial sums of money; yet both Mr A and his cousin kept getting key details about the sender wrong.
- During a phone call with our service, Mr A said his cousin was unable to provide their texts with the sender because the cousin didn't have their phone. Later, Mr A provided a screenshot of texts between Mr A and the cousin from the same day as that phone call.
- Regarding his suspicious cash withdrawals, Mr A said he'd kept the money in a cupboard, then said he'd deposited it in a particular account. Our Investigator gathered the statements for that account – where there were no corresponding cash deposits – and Mr A said that he'd forgotten that he actually spent it instead.

- Mr A said he'd only withdrawn and spent £600 in cash in total. But the total funds he received from third parties and withdrew in cash was over £10,000. It's also not plausible that Mr A spent such a large amount on just one month's rent and some everyday items, as he claimed. Not least as Mr A had said the rent was under £1,000 a month and couldn't be paid in cash.
- Mr A also claimed that in late 2023, he stopped taking in funds from third parties and withdrawing them in cash. But I can see from his other accounts that he was still doing so at least as late as April 2024.
- Mr A claimed that his testimony had got confused because he'd received a second payment from the same sender on his other account. But the statements from his other accounts show that this is simply untrue – there was no other payment from that sender.
- Mr A also claimed he was unable to answer Monzo's questions properly because his account had already been closed. Again, that's untrue. Monzo questioned him *before* closing his account. They closed the account after he gave contradictory answers, declined to provide the evidence he said he could, and stopped answering.

As such, I cannot reasonably rely on Mr A's testimony. Mr A says his contradictions were caused by stress, or out of a worry about getting his cousin in trouble. But stress wouldn't plausibly cause this level of contradiction – the differences between Mr A's versions of events were major, not small mistakes. And if he'd really believed that he'd received the money for legitimate reasons, he would've had no good reason to repeatedly give untrue testimony or withhold evidence.

Mr A has been unable to sufficiently evidence his various versions of events, even when such evidence should've been straightforward to provide. He's produced some screenshots of text messages, allegedly between his cousin and the sender, and allegedly taken on the sender's phone. However, these screenshots contain numerous errors, such as substantial formatting errors and inconsistencies in the details involved. The formatting errors are in line with errors that would show up on faked screenshots. Mr A argued that the change in the details was evidence that the sender was somehow "dodgy". But it's more plausibly evidence that the screenshots were not genuine. Further, even if the screenshots were really taken from *someone's* phone, there's absolutely nothing to substantiate they were from the sender's phone (as opposed to, e.g. being mocked up using a friend's phone). Indeed, the bank details provided for "repaying" the sender were a completely different person's. And previously Mr A had clearly and repeatedly stated that there were no such written messages. Mr A had also mentioned before that he was capable of faking such evidence.

It is highly unlikely that these screenshots are genuine. It's more likely that they were faked. I cannot fairly or reasonably take them to be reliable evidence.

Mr A did provide other screenshots. But they really only showed that he was in need of money and that the person he calls his cousin was willing to help him get some, along with apparently a colleague. That would still fit with Mr A getting such money through illegitimate means. As would the text warning him not to alert the workplace lest he get deported, which plausibly implied Mr A was likely aware that whatever he was doing with his colleague was not legitimate. And I note that Mr A's contact details were linked to another fraud marker too, so this doesn't appear to be a wholly isolated incident.

In summary, Mr A received and spent fraudulent funds. His activity has been consistent with illegitimate activity. His testimony has been implausible, highly inconsistent, and at key points shown to be untrue, and I have no reasonable basis on which to treat it as reliable. Mr A has been unable to sufficiently evidence his testimony, even when such evidence should've been straightforward to provide, and some of the evidence he provided appears to have been falsified. The surrounding evidence supports that he willingly participated in fraudulent activity and benefitted from it personally.

As such, I find that it was fair for Monzo to register this marker, and it's fair for the marker to remain for its full term. It was also fair for Monzo to close Mr A's account, which they did in line with its terms. This is a difficult message for me to give, and I know it's a difficult message for Mr A to receive. But given the evidence I have, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

For the reasons I've explained, I don't uphold Mr A's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 July 2025.

Adam Charles
Ombudsman