

## The complaint

Mr C complains Monzo Bank Ltd has recorded his personal details with Cifas – a fraud prevention database – and won't remove them.

## What happened

On 12 October 2024, Mr C received two payments totalling £140 into his Monzo account. On the same day, Monzo received notification that the payments were fraudulent.

Monzo asked Mr C what the payments were for. Mr C told Monzo they were for "fees" and provided a screenshot which he said showed his contact with the sender of the money. Monzo then took the decision to close Mr C's account and register his information with Cifas. So, Mr C complained.

Monzo responded to say it hadn't made a mistake in registering the fraud marker and the closure had been done in line with the terms and conditions of the account.

Mr C referred his complaint to our service. Mr C told us at this point a third party, D, had asked him to assist in receiving money for his tuition fees as he was having problems with his own accounts. An Investigator considered the circumstances. He said, in summary, he thought Monzo had registered the fraud marker and closed the account fairly. He said this because Mr C had opened a Monzo account specifically to conduct the transactions in question, he had followed instructions from D on how to handle Monzo's questions and Mr C couldn't provide evidence of his conversations with D to support his explanation.

Mr C didn't agree with the Investigator's findings. He said:

- He'd acted with naivety rather than maliciously.
- He only gave a false explanation to Monzo because he was under pressure from D.

As Mr C didn't agree, 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.

The marker Monzo has registered in Mr C's case is a "misuse of facility". In order to record a marker for misuse of facility, Monzo must be able to show a number of requirements have been met, including:

- 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.

Here, Mr C's account received payments which were later reported as fraudulent. Monzo contacted Mr C about the payments, and it's provided the messages and emails it exchanged with him about this.

Mr C says he was approached by D who said he was having trouble receiving payments into his own UK accounts. He encouraged Mr C to open a Monzo account in order to assist him. Mr C says he was hesitant but, D assured him it was a common issue as he was repeatedly having his bank accounts closed due to suspicious transactions and so Mr C eventually agreed to open the account and receive the payments on D's behalf. After the money had been sent to Mr C's account, he made onward transfers on D's instructions.

I can see Mr C has gone to considerable efforts to get evidence of his conversations with D, after the disputed transactions had taken place. But, because most of the contact Mr C had with D was conducted via a social media platform that doesn't retain the messages – Mr C is unable to provide evidence to substantiate his explanations about the initial contact and the reasons D gave for needing Mr C to facilitate these payments.

When Monzo contacted Mr C about the disputed payments, Mr C asked D for help as he was unsure of how to respond. D told Mr C to say the payments were from Mr C's father for tuition fees and provided a screenshot for Mr C to send on to Monzo, which Mr C did. I do understand why Mr C did this but, ultimately, this means he wasn't forthcoming with Monzo when it asked about the payments.

Upon discovering the Cifas marker, Mr C contacted Cifas and he gave the same explanation he'd given to Monzo to them. It seems he only provided a full account of the events leading to the disputed payments when he referred his complaint to our service. Because of that, he's been inconsistent in his explanations of what happened. And his explanations don't align with the information Monzo received from the sender of the payments.

Mr C has been inconsistent and can't provide evidence of his conversations with D to support the explanation he's now given. In these circumstances, I'm satisfied this means Monzo was entitled to register the marker with Cifas. To be clear, I'm not making any finding on Mr C's involvement in the alleged fraudulent payments themselves, just that Monzo has shown it's registered the fraud marker correctly.

Mr C was also unhappy with Monzo's decision to close his account. The terms and conditions of the account set out when Monzo can close the account with immediate effect. And I'm satisfied, in the circumstances, Monzo was entitled to do that here.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 January 2026.

Eleanor Rippengale  
**Ombudsman**