

The complaint

Mr P complains TSB Bank Plc recorded a marker against him at Cifas, a national fraud database and closed his account. He doesn't think it's treated him fairly.

What happened

Mr P had an account with TSB. In September 2024, it was credited with £1,000 from a third-party, through a bank transfer. However, the payment was later reported as fraudulent.

TSB restricted the account and requested information to support why he had received the funds. He said this was for work. TSB requested proof, and he provided an invoice for work arranged.

TSB wasn't satisfied with this and following a review it decided to close the account. At the same time, it also filed a misuse of facility marker at Cifas, as it believed Mr P had been complicit in receiving illegitimate funds.

Mr P found out about the marker and complained that he'd not done anything to cause this. He said the marker was affecting his ability to get a bank account, and his employment prospects. TSB reviewed the information but didn't think it had made a mistake in the steps it had taken. Dissatisfied, he came to us. In doing so, he said what had happened:

- The £1,000 he'd received related to gambling winnings. But he and the company that had arranged the payment had got into a disagreement.
- The gambling company had a fake website and setup, so needed investigating.
- He was unhappy with TSB's actions from start to finish in investigating the marker and he wanted it removed.

One of our investigators looked at the case. They asked Mr P why he'd told the bank the payment had related to recruitment work given he was now saying these were gambling winnings. He said he'd also done work for the company, but hadn't been paid, however, the £1,000 payment related to gambling.

The investigator acknowledged what Mr P had said and provided but they didn't find his explanation plausible, when looking at the available evidence.

They identified Mr P had said something different to TSB (not gambling) and he'd gone as far as sending them an invoice for work he said he'd undertaken. This to them suggested Mr P was aware the funds weren't legitimate, as they couldn't see why he wouldn't have stated the gambling. And they didn't find an error in TSB closing the account either.

Mr P didn't agree. He said he had been wrongly accused of being involved in fraud and provided some further documents to consider. He said he'd dealt with one business for gambling, but another company had paid in the funds which he'd never heard of. He submitted the companies were fake and doing wrong. Given this, it was unquestionable the marker should be removed.

When the investigator didn't change their mind, the case was put forward for a decision, as the second and final stage of our process.

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.

I'm sorry to disappoint Mr P but I'm not upholding his complaint.

The marker that TSB has filed is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. To file such a marker, it's not required to prove beyond reasonable doubt that Mr P is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant 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.

What this means in practice is that a bank must first be able to show that fraudulent funds have entered Mr P's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mr P was deliberately dishonest in receiving the payment and knew it was, or might be, illegitimate. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity.

To meet the standard of proof required to register a fraud marker; the bank must carry out checks of sufficient depth and retain records of these. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think TSB has enough evidence to show fraudulent funds entered Mr P's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

TSB has provided evidence that it received a report, saying that funds which entered Mr P's account were because of fraud. Looking at what was reported, I'm satisfied the bank was alerted to a possible fraud and needed to make enquiries to meet its regulatory obligations to investigate such matters.

I'm also satisfied TSB contacted Mr P and was clear what payment it was investigating – I've seen the notes. Therefore, I don't agree he wasn't given an opportunity to explain things. Mr P said the payment was for work he'd done and told TSB how he'd come across the company, providing an invoice which said, "*recruitment*". Given TSB's questions and Mr P's response, I think he's unlikely he could have been confused or mistaken about what he was being asked to show, particularly as he also confirmed he recognised the company and the activity.

He's now adamant that the £1,000 was for gambling, but I'm afraid this bears no correlation with what he told TSB and suggests Mr P wasn't telling the bank everything, which I think points to him knowing there were concerns about the payment. This was TSB's position when it looked at the evidence it had been given, which it didn't deem satisfactory.

Also, in terms of gambling, there isn't any direct evidence to show £1,000 was for winnings

or arranged “recruitment” to support Mr P’s account of events. He says that’s in part because his account was blocked and closed but I’m not persuaded he’d have nothing further for either of these activities.

I’ve considered the other documents Mr P has submitted. However, they don’t make a difference to the outcome given the points made above. Our service looks at what both sides have provided, and I haven’t found this persuasive when weighing it against everything else on the case. In conclusion, I’m satisfied TSB had enough information to support its actions, with the report it received, and the responses Mr P gave. It follows that I don’t think TSB was unfair to record the marker or close the account (there’s provision for that within the account agreement).

Whilst I appreciate the marker is causing Mr P difficulties, I’m afraid this isn’t a basis for me to require its deletion. I must look at the evidence objectively. As this is the final stage of our process, this now completes our review of the complaint.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 11 August 2025.

Sarita Taylor
Ombudsman