

## **The complaint**

Miss O complains that Monzo Bank Ltd's actions in recording a fraud marker against her, had a profound impact on her. She doesn't believe it has sufficiently compensated her for what happened.

## **What happened**

A summary of what happened is below.

Miss O had an account with Monzo, which it closed in April 2022 following a review. However, later and in March 2025, Miss O discovered Monzo had also filed a fraud marker against her at Cifas, a fraud database.

Miss O complained to Monzo that she'd not done anything wrong to cause this. She said the marker had affected her financially and personally, as she'd had several other accounts closed and had found it difficult to obtain credit.

Monzo investigated. It accepted its service had fallen short in how it had handled things, recognising it shouldn't have recorded the fraud marker. It apologised and said the marker would be removed and offered £250 for the distress and inconvenience that was caused.

Miss O referred her complaint to us. She didn't think Monzo had done enough to address the impact on her. One of our investigators reviewed matters but felt the compensation offered was fair. She noted that whilst Miss O had evidence that some of her accounts had been closed, the overall impact was limited due to her still having an account with another provider, which she could use. Miss O disagreed; she believed the investigator had failed to appreciate the cumulative effect of her accounts being closed and not understanding why. She said this had left her being unable to plan for her future and provided further information to consider.

When an agreement couldn't be reached, the matter was put forward for a 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.

If there's something that I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on everything that's been said, to reach what I think is a fair outcome. Instead, I've focused on what I think are the key points. Monzo has accepted it shouldn't have recorded the fraud marker at Cifas, so I won't be commenting on this point further. The issue at hand is what level of compensation is appropriate for the impact of its mistake.

I share our investigator's opinion that it would be appropriate for Monzo to pay Miss O £250 as a settlement payment. I think this sum is a fair reflection of her trouble and upset. In coming to this conclusion, I'm conscious of the extended period over which Miss O wasn't

aware of the fraud marker, by her own evidence that she only discovered this on 5 March 2025, so any upset was limited up to this point. I'll say more below.

Miss O has told us about how she felt when her accounts were closed, and she couldn't get credit. It's likely a marker of this type would have been a factor in her accounts closing. But I can't be sure that she would have obtained credit if it hadn't been for the fraud marker and *crucially* to the exclusion of anything else. I say this because, lenders take account of various things when deciding whether to lend.

I think it's relevant that Miss O wasn't left unbanked for the period; she had an account elsewhere, even if she may have been reluctant to use it. Had she been left without any facilities, I think the impact on her would have been greater and I might have then awarded more. But that wasn't the case here.

After weighing everything, Monzo should have done better in relation to the fraud marker, but I'm satisfied it then responded to the complaint in a way that I think was fair in the circumstances. It accepted it's mistake promptly, apologised, confirmed it would remove the marker, and offered £250. I appreciate Miss O would like more, but based on the available evidence, I haven't seen anything compelling to say that's warranted or that the bank needs to do something else to assist her. I think all the above steps, collectively were a reasonable and proportionate response to the complaint.

### **My final decision**

For the reasons I've explained, my final decision is that to settle this complaint, Monzo Bank Ltd must pay Miss O £250 (unless it has already done so). I make no other award or direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 27 October 2025.

Sarita Taylor  
**Ombudsman**