DRN-5652095

Financial Ombudsman Service

The complaint

Mr M has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

In March 2024 Monzo closed the account Mr M held with them. They'd received a fraud report from another bank about a credit of £600 paid into Mr M's account. Monzo then lodged a fraud-related marker on his record with CIFAS.

After Mr M had problems with his main bank account, he complained to Monzo about the fraud marker in January 2025.

Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Mr M brought his complaint to the ombudsman service.

Our investigator reviewed the evidence and believed there was enough to suggest Mr M didn't know about any fraud. She also felt this showed the transaction Mr M made on behalf of a friend.

Monzo disagreed with this outcome and have asked an ombudsman to consider his complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

"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."

So Monzo must be able to provide clear evidence that an identified fraud was being committed, and Mr M was involved. This must go above Monzo having a suspicion of Mr M's involvement.

There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Monzo. This confirms they received a notification from another bank about a customer who'd sent £600 to Mr M's account to pay for car rental. So they believed the money wasn't Mr M's. They'd also been aware of an earlier fraud report from another bank that money had been attempted to be sent to Mr M's account.

But this on its own isn't sufficient to show Mr M knew what was going on and was involved. Monzo believes that Mr M's evidence to them confirmed he did know about the payment and that he'd been acting as a money mule. Despite there being only a small amount (£20 of the original £600) ending up in his own account, they were satisfied this showed Mr M had profited from what happened.

I'm not sure the evidence is that clear cut.

I've seen the evidence Mr M shared with Monzo and I've also seen the fraud report and records of our contact with Mr M.

Based on what Mr M has told us, I'm satisfied his testimony is credible. I believe it is more than likely he was involved with a friend and thought this money was about renting a car – in fact the messages Monzo considered do seem to confirm this.

I know Monzo believes there were inconsistencies in what Mr M has stated. However, as Monzo will be very aware, this is not particularly unusual in cases like this. And being unable to explain clearly what happened, doesn't mean that it's fair and reasonable to lodge a CIFAS marker.

I've not seen any questioning of the original fraud report and the similarity of the potential fraud and why Mr M was receiving the money does make me wonder why further questions weren't raised at the time.

I'm very aware Mr M made a small profit from what was going on, but I don't feel this is substantive or convinces me he knew he was being used as a money mule.

On balance I'm not convinced that Mr M was knowingly acting as a money mule.

Monzo asked Mr M about his entitlement to the disputed payment before lodging the CIFAS marker which they are supposed to do.

Putting things right

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.

In this case I don't think the evidence required most likely exists here from reviewing the payment made into Mr M's Monzo account and his evidence.

On this basis I believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

My final decision

For the reasons given, my final decision is to instruct Monzo Bank Ltd to remove the marker from Mr M's record with CIFAS.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 August 2025.

Sandra Quinn
Ombudsman