

The complaint

Mr H has complained that Monzo Bank Ltd registered a fraud marker against him.

What happened

In late 2024, Mr H received a series of credits from various third parties, which were quickly spent or forwarded on. Multiple institutions reported that Mr H had received the proceeds of fraud.

Monzo questioned Mr H about this. He initially said he was selling shoes to his online friends. He was unable to sufficiently evidence these sales or that he provided the goods to the buyers. Monzo closed Mr H's account and registered a fraud marker against him.

Mr H later said his friends had sent money to his account so he could help them buy clothes or shoes. He said all discussion was face-to-face so he had no written communications with these friends whatsoever.

Mr H then came to our service. He said this was actually done by friends from his social club who he met often and trusted with his life, though he couldn't remember their names. He said they had a clothing business whose bank had technical issues, so as a favour he let them send him money so he could make small purchases for them. He had no evidence of ever making these purchases. He said they then became assertive and took control of his phone to start making payments themselves. Mr H now says that the friends did all the transactions involved, not just the latter ones as he said before. He says absolutely all of his contact with these friends was erased so he has none at all.

Our Investigator upheld the complaint, on the basis that it was technically possible that Mr H could've potentially been an unwitting participant in the fraud. Monzo didn't agree. They pointed out the various contradictions in Mr H's various testimonies, his lack of any proper evidence to support these testimonies, and the fact that he'd benefitted from the fraud.

The complaint's been passed to me to decide.

I sent Mr H and Monzo a provisional decision on 18 June 2025, to explain why I didn't think the complaint should be upheld. In that decision, I said:

In order to register this marker, Monzo were not required to prove beyond all reasonable doubt that Mr H 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 currently think Monzo did have sufficient grounds to register this marker, and that it should remain for its full term. I'll explain why.

The activity on the account was highly consistent with fraudulent use. For example, Mr H all but emptied his Monzo account of his own funds beforehand, meaning his own money couldn't be used to repay the fraud victims. Then suddenly he began receiving numerous credits, which were subject to multiple fraud reports. When the fraudulent funds came in, Mr H quickly spent them or sent them on, which meant they couldn't be recovered once the fraud was reported. They were also transferred back and forth between accounts in a manner consistent with a money mule. While some of the fraudulent funds were forwarded on to other people, other amounts ended up in Mr H's account at another firm or he spent them. From what I can see, Mr H directly benefitted from the fraud.

I can see Mr H also carried out a similar pattern of activity on another account of his. That account appears to have been dormant until it was used to receive the proceeds of fraud.

Mr H now says that he didn't carry out some or all of this activity. However, Monzo's technical evidence shows that the activity in dispute was made using Mr H's device, and his registered biometrics – i.e. fingerprint or face ID – like he did for his genuine spending. The activity in question was also made using the same internet connection that Mr H used before and after. This all strongly supports that Mr H authorised the activity in question. And I've found absolutely no evidence to substantiate that anyone else carried out the activity. Mr H did not report this alleged unauthorised use at the time, there was genuine spending in between suspect activity, and he previously said he'd made some or all of the payments involved himself.

Mr H's testimony has been highly implausible and contradictory. I won't go through every example, but key ones include:

- Mr H first said he received this money for selling shoes, but was unable to evidence ever owning these goods or providing them to the buyers. He provided some screenshots, but these were not relevant. For example, he provided a screenshot of an advert for different goods to the ones he said he sold, at different prices, which appeared to be someone else's advert. And he provided some chats where it wasn't clear who the parties talking were, which were undated, and where the content didn't actually confirm his story.*
- Then Mr H said he received the money to help his friends make small purchases for clothes and such. But there were no corresponding purchases on his accounts, and he had no receipts or other evidence that these purchases were ever made.*
- Mr H now claims this was done by friends who he knew so well that he trusted them with his life. Yet he also couldn't remember their names just months later, and he had absolutely no evidence of ever being in contact with these people, nor any evidence that they ever existed in the first place.*
- Mr H previously accepted that he made the transactions involved, then said he made them at first then these friends took over, and now says his friends did all of it. And, as I set out above, the technical evidence strongly supports that Mr H actually did authorise the activity involved.*
- At different points, Mr H said these were online friends he only spoke to in writing, or friends he only knew in person and had no written contact with.*
- Mr H previously claimed to know the third parties who sent him various credits, and provided undated unclear screenshots of his alleged chats with them; but now he says he didn't know or talk to them. But if he never actually spoke to them, and provided screenshots to make it look like he did, that would imply he provided misleading or potentially falsified evidence.*

If any of Mr H's various versions of events were true, it should've been fairly straightforward for him to evidence them. For example, if he were really selling these goods online he'd have records from the online marketplace, message histories, proof of postage, and so on. If he were really buying goods for his friends he'd have receipts or proof of purchase, entries on his statements for the purchases, messages with the friends, and so on. If these were close friends who he trusted with his life and trusted to use his account, he'd have extensive message histories, social media histories, and so on. He'd at least know their names. Yet Mr H was unable to provide any of that. This, together with the contradictory and implausible nature of his testimony, means that I cannot fairly or reasonably take any of his versions of events to be correct.

Finally, I mentioned before that Mr H had carried out similar activity on another account. It's notable that, even after Monzo raised concerns about Mr H's activity and then closed his Monzo account, he continued with this sort of activity on his other account. So it seems very unlikely that he was an unwitting participant in the fraud. The other bank then also received information that Mr H had received fraudulent funds. So this was not an isolated incident.

In summary, Mr H received, passed on, and benefitted from the proceeds of fraud. I'm reasonably satisfied that he authorised this activity himself. His activity is consistent with him being a knowing and willing participant in the fraud. His testimony has been implausible and contradictory, and he's been unable to sufficiently evidence his various versions of events even when such evidence should be straightforward to provide. And he continued to carry out such activity afterwards on another account.

As such, I currently think it was fair for Monzo to register this marker based on what they knew at the time – i.e. that he'd received fraudulent funds, provided unlikely testimony, and was unable to evidence his entitlement. And even in light of what Mr H has since provided, I currently think it's fair for the marker to remain for its full term. I also think it was fair for Monzo to close Mr H's account, which they were allowed to do under the terms. This is a difficult message for me to give, and I know it's a difficult message for Mr H to receive. But given the evidence I have so far, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

I said I'd consider anything else anyone wanted to give me – so long as I received it before 2 June 2025. But neither Mr H nor Monzo sent me anything new to consider.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I do not uphold this 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 H to accept or reject my decision before 30 July 2025.

Adam Charles
Ombudsman