

The complaint

Mr B complains that Monzo Bank Ltd ('Monzo') registered a Cifas marker against him without due cause.

What happened

I wrote to both parties in May 2025 to outline my initial thoughts on the complaint, as I was minded to come to a different outcome to our investigator. I asked them to provide any further comments or evidence by a specified deadline, which has now passed. Below is an extract from that provisional decision:

"Mr B complains that Monzo registered a Cifas marker against him in December 2022. Monzo said that in November 2022, they received three reports from two banks stating that their customers had fallen victim to purchase scams via an online marketplace. The allegation from the two banks was that Mr B's Monzo account had been used to receive the fraudulent funds. The scam reports were made to the banks by different customers. They said the funds were utilised by both spending and transferring funds to another account held in Mr B's own name. This was done using Mr B's own device. They said they did not reach out to Mr B as they felt they had enough evidence to draw a conclusion. So, they took the decision to close Mr B's account and escalate their concerns about him to Cifas, who loaded a marker against him.

Mr B said that he was approached online through a social media platform by someone who promised him they could give him "free money". He said he was only about 16 years old at the time. Mr B said that he was told that they had large groups of people that worked together in crypto payments, and he would be able to receive free money from them. He said he did allow the individual access to his Monzo account. When his account got blocked, he tried to contact them, but they had blocked him. He said he regrettably and naively agreed to this offer without fully understanding the consequences. He initially said he shared his card details with them, but later said he shared all details including his Monzo login. Mr B told us that he did not really understand how cryptocurrency worked, he just pretended to when he spoke to the person. Mr B said he was not fully aware of what actions they took with his information after that. He said he never intended to engage in any fraudulent activity, and fully acknowledged his error in judgement. He admitted had intended to gain money but thought it was legitimate. He was unable to provide us with any evidence of the conversations, as they were no longer available on the social media platform.

Mr B complained to Monzo. They reviewed what happened and said they thought they had acted correctly in registering the Cifas marker against him. They declined to remove the marker.

Unhappy with their response, Mr B referred his complaint to our service. One of our investigators reviewed what had happened and recommended that Mr B's complaint be upheld. They said that on balance they did not think Monzo had met the requisite burden of proof in order to load Mr B with Cifas. They said this was because it did not make proper efforts to discuss the alleged fraudulent activity with Mr B at the time, and so by the time he realised he had a Cifas marker it was harder to corroborate his story. But they thought on

balance it was more likely than not that Mr B was not a willing participant in any fraud, and said his testimony that he had fallen victim to a scam was plausible.

Monzo did not agree. They said, in summary:

- Mr B had been in touch when his account was restricted to ask for some help getting it unblocked, so he knew his account was restricted.*
- They responded some days later, but he did not get back in touch, so he did not appear to be particularly concerned any longer that his bank account had been frozen, which Monzo said means that he was likely aware that they had become aware of the illicit activity.*
- Mr B got back in touch the following month and said that his Monzo account had been closed and he could not work out why and wanted help as he wished to keep banking with Monzo. At this time, he told them that he had reported his card as stolen but thought he would just be sent a new one. However, Monzo said that Mr B had not reported his card as stolen, and that Mr B was therefore being untruthful.*
- When Mr B got back in touch in 2024, he told Monzo that he was approached by someone online and offered “free money”. He said he naively agreed to this offer without fully understanding the consequences and shared his card details with them, believing their claims.*
- Monzo said the payments were faster payments anyway, so the customer sharing their card details which were supposedly also stolen, with a third party would have no bearing on the customer receiving multiple fraudulent payments into their account.*
- The funds were utilised through purchases and moving them onto another account in Mr B’s own name. There was no evidence to suggest a third party was involved, and given the relatively simple nature of the scams, they did not feel that it was beyond the abilities of a teenager to conduct such scams.*
- They did not feel that they were incorrect in not giving Mr B the opportunity to explain the activity before loading him to Cifas as they think it is most likely he was the perpetrator of the fraud, and they only need to ask them when they think they may be a money mule.*

As no agreement could be reached, the case has been passed to me to decide.

What I’ve provisionally 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 am minded to reach a different outcome than our investigator. I will explain my current thoughts.

The type of Cifas marker that Monzo asked Cifas to apply here is for ‘misuse of facility’ – relating to the account being used to receive and send on fraudulent funds. In order to file such a marker, Monzo are not required to prove beyond reasonable doubt that Mr B is guilty of fraud or financial crime, but they must show that there are grounds for more than mere suspicion or concern that such an offence took place. Cifas guidance said:

- “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.”*

So, the relevant findings from me to make are whether I believe there is sufficient evidence to conclude that on balance, the money sent to Mr B was sent as a result of a fraud, and that he was deliberately dishonest in relation to this, such that Monzo fairly and reasonably escalated their concerns to Cifas. Based on the current evidence, I do think they were entitled to. I will explain why.

It is not in dispute that Mr B's account was used to receive and then spend and transfer on fraudulent funds. The sending account holders complained that they had fallen victim to purchase scams. And whilst Mr B said that he thought he was receiving the funds as part of a legitimate scheme, he no longer claims he had any real claim to these funds. He does not dispute that he received the funds as the result of a fraud, he merely does not accept that he was part of it. So, on balance, it seems that the funds sent to Mr B's account were fraudulent and what is left for me to decide is whether on balance I think Mr B was involved in the receipt of the fraudulent funds, and whether he was deliberately dishonest in his actions with regards to those funds. And I think he most likely was. I say this because:

- *There is no evidence to suggest anyone else benefitted from these funds. They went to an account in his own name and were spent in other transactions. It would seem strange that an unknown third party with access to fraudulent funds would, in essence, give the funds away to someone that they did not know to use as they pleased.*
- *Mr B has been inconsistent in what information he said he handed over to the unknown third party. He initially said to both Monzo and this service that he only handed over his card details. This would not have allowed someone to pay money into his account – it would have required his account details.*
- *He then told our service that he had handed over everything including his login details. There is no evidence that any of the relevant activity on his account took place on another device – the technical evidence here shows that the device was the same one that Mr B had used previously and no other devices were used. It would seem strange that an unknown third party would be given this level of access to his account, only to send on a few relatively small payments which are then sent onto Mr B's own account, and spent using Mr B's card. There is no indication that he gave over the details to another of his accounts to the unknown third party.*
- *Mr B has also been inconsistent with Monzo in another manner. He told them he had reported his card as stolen around the time of these transactions, when Monzo have said there is no evidence he ever did this.*
- *Mr B says he was told by the person online he could access 'free money' by handing his details over. Whilst I appreciate being 16 or 17 may mean one is somewhat more naïve to the world of personal finances, there is nothing to suggest that Mr B was so naïve that he would believe an unknown third party would simply hand over 'free money' as part of a legitimate scheme. Mr B is unable to explain how the scheme was supposed to work, or why he would be getting sent money without having to invest any of his own or do anything to contribute in any way. So, whilst I am not saying this would be impossible, it does seem rather implausible.*
- *Whilst I appreciate that time has passed and Mr B says messages on the social media platform he used were no longer accessible, it is of note that there is absolutely no evidence to corroborate Mr B's testimony here. And whilst Monzo did not ask a lot of probing questions at the time, they did speak to Mr B. One would*

assume that when his account was blocked and then closed, Mr B may have realized that he would have realized that the 'free money' had come with strings attached. He managed to speak to them at the point of his account being blocked and after his account was closed, so he could have come clean with Monzo at the time. But notably, it does not appear that he told anyone this story until 2024.

So, when considering all of this, I am minded to conclude that Monzo were entitled to believe that Mr B was guilty of fraud or financial crime, and that he knowingly and dishonestly received fraudulent funds into his account which he went on to move and spend. And so it follows that they acted fairly and reasonably in registering Mr B with Cifas. And if nothing changes, I will not be asking them to do anything further in my final decision.

My provisional decision

If nothing changes, I will not be upholding this 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.

I did not receive any further comments or evidence in response to my provisional decision. As a result, there is nothing which has altered the opinion I expressed in my provisional decision. So, for the reasons outlined above, I do not uphold this complaint and will not be asking Monzo to do anything further in this matter.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 July 2025.

Katherine Jones
Ombudsman