

The complaint

Mr D complains that Monzo Bank Ltd closed his account with it and registered his details with CIFAS, the UK's main fraud prevention agency.

What happened

Mr D held an account with Monzo. On 19 December 2024 a payment of £200 was credited to his account and on 23 December 2024 a further payment of £50 was made. Both payments were from Q, a cashback business which enables its members to earn cashback when shopping with a wide range of retail businesses.

The two payments were removed from Mr D's account almost immediately, the first to another account in Mr D's name and the second to his savings pot.

Monzo contacted Mr D about the payments. He said that he had not recognised them and that he had assumed he would be asked to return them. He did not know about Q and had had to check what it did. He later told our investigator that he might have opened an account with Q, but he had no recollection of doing so.

Monzo took the decision to close Mr D's account and registered a fraud marker with CIFAS. Mr D complained to Monzo and, when it declined to remove the CIFAS marker, he referred the matter to this service.

One of our investigators considered what had happened but did not recommend that the complaint be upheld. She thought that Monzo had followed the relevant guidelines when registering Mr D's details with CIFAS.

Mr D did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

Firstly, it is not for me to decide whether the funds which Mr D received were fraudulent or, if they were, the extent of his involvement, if any. What I have considered is whether Monzo acted reasonably in deciding to register Mr D's details with CIFAS.

The marker which Monzo registered indicates that there was a misuse of the banking facility. To register such a marker, the bank or payment institution must have reasonable grounds for believing that a fraud or financial crime has been committed or attempted, and there must be clear, relevant and rigorous evidence to support that view. The standard is less than would be required in a criminal court, but mere suspicion (even if reasonable) is not sufficient by itself.

I have therefore considered carefully what happened in this case, along with Mr D's explanation of the payments. Having done so, I agree with the investigator that there was

sufficient evidence in this case to meet the necessary standard and that Monzo did not therefore act unfairly towards Mr D.

I realise of course that this is likely to have a significant impact on Mr D in the coming years. But, since I am satisfied that Monzo acted reasonably, I cannot require it to take any steps to address that.

In addition, Monzo closed Mr D's account. The account terms provided for account closure and, subject to certain conditions, allowed Monzo to close the account without notice. Given the surrounding circumstances here, I take the view that Monzo acted fairly in its handling of the account closure.

My final decision

For these reasons, my final decision is that I do not uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 December 2025.

Mike Ingram
Ombudsman