

## The complaint

Mr A complains Monzo Bank Ltd recorded a marker against him at Cifas, a national fraud database and closed his account. He doesn't think it's treated him fairly.

## What happened

A summary of what happened is below.

Mr A had an account with Monzo. In January 2025, it was credited with a payment from a third-party, through a bank transfer. Mr A spent the funds the same day, however, the payment was later reported as fraudulent.

Monzo restricted the account and requested information to support why Mr A had received the payment. He said the funds were from work he'd done. Monzo asked for proof of this and when it didn't get a response, it reviewed what information it did have and decided to file a misuse of facility marker at Cifas, as it believed Mr A had been complicit in receiving fraudulent funds. It also closed his account.

Mr A found out about the marker and complained that he'd not done anything to cause this. He said the marker was affecting his ability to get a bank account. Monzo requested supporting evidence for the payment, but Mr A said he was struggling to remember what it was for. Monzo asked about the payment again and Mr A said it was in relation to some freelancing but couldn't remember who'd paid him.

Monzo reviewed the information but didn't think it had made a mistake in the steps it had taken. Dissatisfied, he contacted us. In doing so, he said what had happened:

- Monzo had asked him about the payment, and he'd sent it an invoice. It was asking for a chat history with the sender of the payment, but he no longer had that.
- The situation with the Cifas marker was making him ill.

One of our investigators looked at the case. She acknowledged what Mr A had said and provided but she didn't find his explanation plausible, when looking at the bank's records. She identified several inconsistencies; for example, he'd said he'd given Monzo an invoice, but he couldn't give us any details of it. She didn't think there was enough evidence to prove he'd been entitled to the funds, which was Monzo's stance too. Overall, she felt the facts supported Mr A had been involved in receiving funds that hadn't been legitimately obtained and so both the marker and the bank's decision to close the account were correct.

Mr A didn't agree. He said he had been wrongly accused of being involved in fraud. He'd said he'd rented out an Uber account and received £30 in exchange for this. However, he was only the middleman as the account belonged to his friend who had told him that their account had been flagged due to a dispute between him and the person that had sent the payment, and a dispute had been raised. He provided screen shots from his mobile phone of a conversation that he felt supported this.

However, the investigator didn't change her mind. She queried why Mr A hadn't given this

information when Monzo had contacted him immediately after the disputed payment as it ought to have been available.

The case was then put forward for a decision in line with the second stage of our process.

### **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.

This includes all the information provided after the investigator's opinion letter. This was sent to Monzo, and its position remains unchanged.

I'm sorry to disappoint Mr A but I'm not upholding his complaint.

The marker that Monzo has filed is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. To file such a marker, it's not required to prove beyond reasonable doubt that Mr A is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant guidance says, 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.

What this means in practice is that a bank must first be able to show that fraudulent funds have entered Mr A's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mr A was deliberately dishonest in receiving the fraudulent payments and knew it was, or might be, illegitimate payments. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity.

To meet the standard of proof required to register a fraud marker; the bank must carry out checks of sufficient depth and retain records of these. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think Monzo has enough evidence to show fraudulent funds entered Mr A's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

Monzo has provided evidence that it received a report, saying that funds which entered Mr A's account was because of a fraud/scam. Looking at what was reported, I'm satisfied the bank was alerted to a possible scam and needed to make enquiries to meet its regulatory obligations to investigate such matters.

Mr A was made aware of the payment Monzo was querying. He said this was money for work he'd done. But at no point did he mention the funds were to do with a friend's Uber account. Neither did he provide any of the information that he's given us now. This shows he wasn't telling the bank everything. I've considered his explanation for the delay, but I think it's unlikely he'd be confused especially as he'd immediately spent the funds. So, I'm confident he knew what the query related to.

Furthermore, what Mr A said then and has told us now, doesn't relate to the fraud report I've seen. He also said he'd sent the bank an invoice, but this isn't borne out by any of the evidence or our investigator's enquiries. Monzo felt its review showed a level of awareness

and complicity that the funds weren't legitimately obtained. Looking at this, I don't think the bank's position was unreasonable.

I've considered what Mr A has provided. However, the evidence doesn't make a difference to the outcome given the points above.

In conclusion, I'm satisfied Monzo had enough information to support its actions, with the report it received, and the responses Mr A gave. It follows that the bank wasn't unfair in recording the marker or indeed in closing the account (there's provision for that within the account agreement). I'm sorry to read about the difficulties he's been experiencing but I'm afraid this isn't a basis for me to require the marker be removed.

I realise this isn't the answer Mr A was hoping for, but I won't be requiring Monzo to delete the marker or do anything with the old account. And as this is our final stage, this completes our review of the complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 August 2025.

Sarita Taylor  
**Ombudsman**