

The complaint

Mr K complains that Monzo Bank Ltd ('Monzo') registered him with Cifas without due cause.

What happened

The circumstances surrounding this complaint are well known to both parties, so I will not go into every detail of what happened here. In summary, in February 2025, about three weeks after Mr K had opened his account, £600 was sent to Mr K's account. After the funds came into Mr K's account but on the same day, £520 was sent to a money remittance service then returned to the account. The £520 was then sent on to a different money remittance service. The following day Monzo received the fraud report from the sending bank, which said that the funds had been sent as a result of an authorised push payment scam. They reached out to Mr K to gather more information about the circumstances in which he came to receive the £600 into his account. They asked if he could tell them a bit more about the transaction. He said it was a payment from a cryptocurrency trade. They asked him to upload any proof of entitlement to the funds. Mr K uploaded a screenshot of a cryptocurrency webpage, that did not speak to the transaction in question, or any specific transactions at all.

Dissatisfied with Mr K's evidence, they reached out for further information three days later. Monzo asked him for further evidence of the cryptocurrency sale, such as the platform chat service, emails, invoices or receipts. He responded by sending a screenshot of the Monzo chat and a screenshot of a payment confirmation with no links or screenshots of cryptocurrency purchases or trades that tallied with the amount and time of the transaction. The following day, Monzo reviewed Mr K's account and took the decision to close it with immediate effect and to register Mr K with Cifas.

After Monzo closed Mr K's account, he got in touch to say he wanted to clarify the money was sent to him by a friend of a friend. He explained they had asked him to help by transferring the money to another country. He said he did not know the money was fraudulent. He said as a result of the Cifas marker, he could not open another account. Mr K complained to Monzo who reviewed the actions they had taken. They maintained that the Cifas loading and the account closure were both done correctly in terms of their internal procedures and their obligations.

Mr K remained dissatisfied with Monzo, so he escalated his concerns to this service. One of our investigators looked into what had happened and did not recommend that Mr K's complaint be upheld. In short, they said this was because they thought that Monzo acted fairly and reasonably in loading Mr K to Cifas and closing his account.

Mr K did not agree. He said he did not know he was receiving fraudulent funds and that he did not understand because he was new to the UK and did not understand fraud. As no agreement could be reached, the case has been passed to me to decide.

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 have reached the same conclusion as our investigator and for broadly the same reasons. I'll explain why.

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 K 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 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.”*

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

It does not appear to be in dispute that Mr K's account was used to receive and send on fraudulent funds. The sending account holder complained that they were tricked into sending the funds as the result of a ticket purchase scam. And whilst Mr K originally claimed to be entitled to these funds due to the sale of some cryptocurrency, he is no longer asserting that he has any legitimate claim to those funds. So, the remaining point of contention is whether Mr K received these as an unwitting victim himself, or whether he was deliberately dishonest with regards to these funds. To conclude this, Mr K would not need to have been the perpetrator of the scam himself or even know the exact provenance of the funds. But I would need to conclude that he had acted with deliberate dishonesty, which I think it is more likely than not that he did. I'll explain why.

Mr K was inconsistent in his version of events between when he first spoke to Monzo, and after he realised he had the Cifas marker. His version of events was that he had sold some cryptocurrency but was unable to provide any evidence in support of this. He then said that a friend of a friend had asked him to receive and send the money, and he did not know it was fraudulent. When Mr K came to this service and was further questioned by our investigator, he provided some screen shots from a group chat that appeared to relate to these payments. These do back up that he was not the only person involved in these payments and that he was following someone else's orders to an extent. But as I outlined above, Mr K did not have to be the ringleader or perpetrator of the scam for the Cifas loading to be fair. It can be fair to load a Cifas marker where someone is a witting money mule.

The screenshots Mr K provided us with show him asking what he is to say the money is for, admitting that he does not know the sender, and also being provided instructions as to how to move the money on. What the messages do not show is anything that relates to the agreement before Mr K was sent the money. There is nothing to corroborate his story that his friend asked for help, or that he was unaware the funds were fraudulent or that he did not ask any questions. There is nothing to speak to why he was allowed to keep £80 of the money he was being sent if he was merely doing a favour to be kind. Often witting money mules are allowed to keep a bit of the fraudulent funds as payment for their services, which could be why he was left with some of the funds. I've certainly not seen anything to rule this out within the chats. It does appear from the messages he has shared with us that he does not think the sender is someone in the group chat. Further to this, it appears he was willing to relay a potential lie to his bank about the source of the funds without asking much more about them, as he asks what he should say and one of the chat members says to say it is from cryptocurrency. I can see our investigator asked for a copy of the chat in its entirety to be shared with our service, and I see this was not shared with us. I see no reason why someone who was innocently tricked into this fraudulent scheme would not provide it.

Considering all of this, I think it appears most likely that Mr K was a witting money mule. And so, it follows that Monzo acted fairly and reasonably in loading Mr K to Cifas.

Mr K has said that he does not mind if his account is reopened, his concern is around the Cifas marker. But, for completeness, I agree with our investigator that Monzo acted fairly and reasonably in closing his account. The account terms and conditions allow for banks to close accounts with immediate effect if they have reason to suspect that the account is being used for fraud – and I think they had such grounds here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 September 2025.

Katherine Jones
Ombudsman