

The complaint

Miss O complains that Monzo Bank Ltd ('Monzo') filed an adverse Cifas marker about her.

What happened

Miss O had a current account with Monzo. In October 2024, Monzo contacted Miss O regarding a payment of £200 that she'd received from a third party. It sent Miss O some questions regarding the payment and sender of the funds. Monzo didn't receive a response from Miss O. It then decided to close Miss O's account in October 2024, without providing any notice and filed an adverse marker about Miss O with Cifas.

Miss O contacted Monzo in April 2025 because she was unhappy that it'd registered a Cifas marker against her and the marker had impacted her account with another provider. Monzo issued its final response to Miss O's complaint and said it had completed a second review of the Cifas loading that it had filed and a decision had been made to retain the loading – it was also unable to overturn its decision to close Miss O's account.

Miss O referred her complaint to our service. She said that as a result of the Cifas marker, another of her accounts had been closed and she was unable to receive salary and student loan payments.

One of our Investigators looked into things and didn't uphold Miss O's complaint. In summary, they said:

- Miss O told us that her friend had lost their bank card and their account was frozen. So, Miss O's friend had asked her to receive payments on their behalf from their cousin. And £200 had been sent to Miss O's account in October 2024, for this purpose
- Miss O said she was abroad when Monzo reached out to her in the Monzo app to ask her questions about the payment, which was why she hadn't responded to its queries
- Given Miss O's lack of response, it was reasonable for Monzo to have closed her account and loaded a Cifas marker against her
- Evidence Miss O and Monzo had provided, supported Miss O's version of events, that she'd been abroad around the time Monzo contacted her regarding the payment
- Even if it was accepted that Miss O didn't see the message from Monzo, the remaining explanation Miss O had provided to our service regarding the payment she received didn't support what had taken place
- Following receipt of the £200 payment, Miss O had transferred £165 to another account in her name and she then made two card purchases of £23 and £2.50. Miss O said she'd been asked by her friend to hold onto the funds she'd received on their

behalf, but instead Miss O had transferred some of the funds out of her account and spent most of the remaining funds

- Screenshots of messages Miss O had provided between her and her friend several months after the payment was received to her account, where she asked her friend if they'd asked her to receive funds from the third party who sent Miss O the £200 weren't persuasive, given that Miss O said she'd been asked by her friend to receive funds from her friend's cousin
- Miss O hadn't provided a credible explanation regarding the funds and what happened, so it wasn't possible to rule out her involvement in fraudulent activity, therefore the Cifas marker shouldn't be removed from Miss O's records

Miss O disagreed. She provided her statements for the account she'd sent the £165 to. She said she'd sent the funds from her Monzo account to another account in her name and then on to a third party – so she hadn't kept those funds for herself. And her friend had asked her to hold on to the remainder of the funds. Miss O added that she had only transferred the funds out of her account to help her friend and trusted what they told her.

As no agreement could be reached, the complaint was 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.

Account closure

Banks in the UK, like Monzo are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases even close customers' accounts.

Monzo is entitled to close an account, just as a customer may close an account with it. But it must do so in a way that adheres to the terms and conditions of the account. The terms and conditions of the account says that Monzo can close the account by giving Miss O at least two months' notice. And there are also certain circumstances, where the account can be closed immediately or without notice.

I've considered whether Monzo has acted fairly here and if it met the criteria to apply its terms for immediate closure - and having looked at these terms and all the evidence that the bank has provided, I'm satisfied that Monzo did.

Cifas marker

Cifas markers can significantly impact an individual's ability to hold and open accounts. And I appreciate Miss O is extremely concerned about the marker because of the impact it's having on her.

My role is to consider if Monzo has met the required standard set by Cifas, for it to register a marker. Specifically, in order to file such a marker, Cifas says:

- That there are reasonable grounds to believe that a Fraud or Financial Crime has been committed or attempted

- That the evidence must be clear, relevant, and rigorous

The purpose of the marker that Monzo has registered with Cifas is to show that there has been a 'mis-use of facility' as it considers Miss O's account was used to receive fraudulent funds.

Monzo must show that there are grounds for more than mere suspicion or concern to file such a marker, but it isn't required to prove beyond reasonable doubt that Miss O is guilty of fraud or financial crime. In practice, this means that Monzo need to demonstrate fraudulent funds have entered or passed through Miss O's account. And having considered the evidence presented by Monzo, I am satisfied that fraudulent funds entered Miss O's account.

In addition, Monzo is required to have strong evidence to show Miss O was deliberately dishonest in receiving the funds and knew it was, or might be, an illegitimate payment.

Miss O says she was sending and receiving funds on behalf of her friend, because their account was blocked. When Miss O was asked for the full name of her friend, she said she didn't know. I don't find this to be plausible as Miss O was willing to allow her friend to use her account and carry out payments on their behalf.

After the £200 payment was received in October 2024, Miss O transferred most of the funds out of her account, shortly after they were received. Miss O then transferred the funds on to a third party. The explanation Miss O has provided regarding why she did this is that she was instructed to do so by her friend. Miss O says she knew nothing about the fraudulent activity. This means Miss O is saying she was being used as an unwitting money mule. But based on the evidence I've seen, I don't think this is what likely happened.

I say that because Miss O hasn't given a credible account of events and I'd expect her to be able to provide compelling evidence that her friend was orchestrating everything and she knew nothing about the fraudulent activity. Miss O hasn't been able to provide this information. I also haven't been provided with compelling evidence as to why Miss O did everything her friend told her to without questioning it. So, I find that it's fair for Monzo to retain the marker applied against Miss O on the Cifas database. Due to Miss O's age when the marker was applied, it will only be held for two years from when it was recorded.

My final decision

For the reasons above, I have decided to not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 2 December 2025.

Khadijah Nakhuda
Ombudsman