

The complaint

Mr O has complained Clydesdale Bank plc, trading as Virgin Money, lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

Mr O opened an account with Virgin Money in June 2023. Virgin Money received a fraud notification from another bank about three large payments made into Mr O's account. They managed to block two of the transactions.

Virgin Money confirmed that they were closing Mr O's account. They also lodged a fraud-related marker on the CIFAS database.

Mr O later asked Virgin Money to remove the marker as he discovered his ability to open other accounts was limited. Virgin Money confirmed they'd done nothing wrong and wouldn't remove the marker.

Mr O brought his complaint to the ombudsman service.

Our investigator noted Mr O couldn't provide any evidence other than his testimony about being contacted through social media and allowing a third party to have his account details.

As our investigator felt Mr O had knowingly accepted fraudulent funds, she confirmed that Virgin Money had enough evidence to lodge a CIFAS marker.

Virgin Money subsequently confirmed they appreciated Mr O was acting as a money mule and so amended the loading of the CIFAS marker.

Disappointed with this outcome, Mr O has asked an ombudsman to review his 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

Virgin Money must be able to provide clear evidence that an identified fraud was being committed, and Mr O was involved. This means that they must have more than a suspicion or a concern that Mr O may be involved.

There's also a requirement that Virgin Money should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Virgin Money. This confirms that they received a complaint from another bank's customer that she'd sent money to Mr O's account as the result of a safe account scam. The three amounts were for £1,491, £1,236 and £976. There's no dispute these were fraudulent funds, albeit only one amount credited Mr O's account.

Mr O has told us he was approached on social media and felt he was being given an opportunity to provide his account details to a third party in return for a financial gain. Mr O has told us: *"I was just oblivious to any consequences that would come from it"*.

Whilst I appreciate Mr O says he was naïve, I can also see that he wasn't that young and in full-time education so had plenty of opportunities open to him – friends, family, bank – to query whether this was above board. I rather think he wasn't that bothered and unfortunately that means he has to deal with the consequences.

Mr O believes the action taken by Virgin Money is disproportionate as he was only just over 21 years old. This means that the CIFAS marker will last for six years.

I sympathise with Mr O but note he has retained access to at least one bank account so he is not as limited in access to banking as he could be.

I think the evidence shows Mr O was in receipt of fraudulent funds and importantly knew that this was the case. Whilst I'm sure that Mr O wasn't involved in the original scam, he was prepared to profit from this.

In accordance with the rules about lodging a marker, I have no choice but to accept that Virgin Money acted properly. On this basis, I don't believe it would be fair and reasonable to ask Virgin Money to remove the marker. I note they've amended the marker to reflect Mr O's status as a money mule which seems appropriate.

My final decision

For the reasons given, my final decision is not to uphold Mr O's complaint against Clydesdale Bank plc, trading as Virgin Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 March 2026.

Sandra Quinn
Ombudsman