DRN-5780207

The complaint

Mr A complains Monzo Bank Ltd unfairly loaded him to a fraud database.

What happened

Mr A was using his Monzo account for crypto trading and received two payments in 2023. In 2024 Monzo received fraud reports for these transactions, so they asked Mr A about them.

Mr A said they were payments for crypto, and he'd released crypto to the value of the payments in. Mr A was asked for any chats he had with the buyer, but he didn't have any.

Monzo closed Mr A's account, retained the money left in the account and loaded his details to a fraud database.

Mr A complained and Monzo responded to say it had reviewed things again, but it hadn't changed its mind and wouldn't be removing the loading. Unhappy with this response, Mr A brought his complaint to this service.

An investigator looked into things but didn't think Mr A's complaint should be upheld. The investigator was satisfied the money Mr A received was fraudulent and Mr A hadn't provided enough proof to show he'd sold crypto to the person sending the payment.

Mr A disagreed and said the platform he used to trade crypto didn't have chats, it worked by simply opening the trade and making the payment. Mr A said he'd tried to contact the buyer without success.

Mr A asked for an ombudsman to decide things.

My provisional decision

I initially intended to uphold Mr A's complaint. But, in response to my provisional decision, Monzo sent in further information.

I issued a second provisional decision, and in it I said:

In my first provisional decision I said it was unlikely Mr A was involved in the scam.

Monzo's provided some further information, about another consumer of theirs, with clear links between them and Mr A, and then further links to the victim of the scam.

Because this information concerns another consumer, I can't share the information with Mr A, but I'm now persuaded Mr A was involved in the scam.

It's unfortunate Monzo didn't send this information in sooner, and I realise Mr A would now find it difficult to counter Monzo's further evidence, it can't be shared with him.

But I'm satisfied the information Monzo's sent me should be held in confidence, and I'm satisfied this now shows the fraud marker is fair.

I think Monzo's now shown, to a higher evidential bar than a balance of probabilities, Mr A was complicit in the fraud and knowingly received fraudulent money. This means I think Monzo's met the fraud marker database's standard of proof.

Since I think Monzo's met the fraud marker database's standard of proof, I no longer think Monzo needs to remove the fraud marker it loaded against Mr A.

Monzo had previously said it would release the money left in Mr A's account, if Mr A would like this money paid to him he can contact Monzo direct or let this service know.

Responses to my provisional decision

Monzo didn't respond to my provisional decision, and it didn't need to.

Mr A disagreed, and said he knew who the other person was, a cousin of his.

Mr A says he asked the person paying him to pay to his cousin's account because another account of Mr A's, with a financial provider, L, wasn't working. And since Mr A's cousin was with him he could see when the credit was made and release the crypto.

Mr A also sent in messages and proof of the trade.

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.

I asked Mr A why he didn't use his own Monzo account, it was working at the time.

Mr A said he was planning to give his cousin money, so it was easier for the money to be paid straight into his cousin's account.

Mr A said his cousin had received the money and was then asked by Monzo to explain the payments in. Because his cousin couldn't get hold of Mr A they told Monzo it was to do with a currency exchange and sent in some messages.

I'm not deciding whether Monzo's actions in regard to Mr A's cousin are fair, but it does seem odd Mr A's cousin, when challenged, wouldn't explain they received the money on behalf of Mr A.

And in response to an earlier information request, Mr A sent this service his statements for his account with L.

The payment to his cousin was made on 1 July 2023. I've looked at Mr A's statements for L and he made a transaction in and out of the account on 1 July 2023.

So, I think it's more likely Mr A's account and app with L were working on the day, so I can't place too much weight on Mr A's testimony.

I also think the messages Mr A sent in for 1 July 2023 are confusing.

Mr A's previously said there's no chat facility with the crypto exchange he uses, and it's all done by phone messages. But the first message on the day his cousin received money is Mr A messaging the buyer, asking how they are.

I'm unsure how Mr A knew to message someone who opened a trade with them, especially when the other messages about trades Mr A sent in start with the buyer messaging him.

I accept this is all circumstantial but when viewed in its entirety, I'm still of the opinion Mr A was involved in the scam. I think it's also very likely his cousin was too, and the payment to them wasn't anything to do with a crypto trade Mr A was carrying out.

And then it's far too coincidental the same person would carry out a legitimate crypto trade with Mr A and be scammed by someone else living at Mr A's address.

I think Monzo's met the standard of proof for loading a fraud marker, I think Monzo's proven, to a high evidential bar, Mr A was involved in the scam.

And because Monzo's met this bar, and I also think Mr A was involved in the scam, I can't ask it to remove the fraud marker.

Monzo had previously said it would release the money left in Mr A's account, if Mr A would like this money paid to him he can contact Monzo direct or let this service know.

My final decision

My final decision is 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 25 September 2025.

Chris Russ
Ombudsman