

The complaint

Mrs A complains Monzo Bank Ltd recorded a marker against her on a fraud database and closed her account. She doesn't think it's treated her fairly.

What happened

A summary of what happened is below.

Mrs A held an account with Monzo. In October 2024, it was credited with two payments from a third-party, through bank transfers. £100 on 4 October and £1,200 on 20 October. Mrs A immediately transferred the funds on after they came in. However, the incoming payments were later reported as fraudulent to Monzo.

Monzo restricted the account and requested information to support why Mrs A had received the payments and was entitled to the funds. She said the payments were a loan received on behalf of a friend, requiring the funds for surgery in Africa. Mrs A attached a screen shot showing her sharing her bank details and the payment having been sent to her Monzo account. Monzo reviewed this against the fraud report but didn't think it was satisfactory evidence in explaining things. It filed a misuse of facility marker at Cifas, as it believed she had been complicit in receiving fraudulent funds. It also closed her account.

Mrs A found out about the marker and complained that she'd not done anything to cause this. She re-iterated that a friend of hers in Nigeria asked her, if she could help them to receive money from an acquaintance in the UK. And not thinking anything more of it, she agreed to help, sending the money onto her friend through her business account in equivalent Naira. She added that the person sending the payment, then asked her to get involved in sending mobile phones to Nigeria but she didn't feel comfortable and stopped communication. Later on and following a payment dispute between them about repaying the loan, she believed the sender decided to report her account to their bank, when she was not involved. Mrs A attached some screenshots.

Monzo reviewed this information but didn't think it had made a mistake in the steps it had taken. Dissatisfied, Mrs A contacted us to challenge the decision. She said she hadn't had any proper justification for the fraud marker, and this was affecting her financially and personally. She wanted to see information Monzo had.

One of our investigators looked at the case and gathered some further evidence. She acknowledged what Mrs A had said and provided but didn't find her testimony persuasive, noting:

- She couldn't understand why funds couldn't have been sent to the friend in Nigeria direct and needed to go through Mrs A's account instead.
- There wasn't any direct evidence to show how and why the arrangements had come about involving her account.
- Mrs A had only sent £1,100 from the £1,200 payment she'd received. She said this was because she'd sold her friend some lace for the equivalent value, however, the investigator said there wasn't anything to support an agreement to keep £100. This

suggested Mrs A had also benefitted from the fraudulent funds.

Considering this, the investigator was satisfied Monzo had met the bar for loading the fraud marker and there wasn't a basis for removing it. She didn't find any error with closing the account either. She also shared some information from Monzo with Mrs A and explained why she couldn't share everything.

Mrs A maintained she had shown why she had received the payments and was a victim herself.

When the investigator didn't change her mind, the case was put forward for a decision.

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'm sorry to disappoint Mrs A but I'm not upholding her complaint, and I'll explain why.

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 Mrs 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 the business must first be able to show that fraudulent funds have entered Mrs A's account, whether they are retained or pass through the account. Secondly, the business will need to have strong evidence to show that Mrs A was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. 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 business 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 Mrs A's account, and she 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 Mrs A's account was because of a fraud/scam. Looking at what was reported, I'm satisfied the bank had reasonable evidence of a scam and needed to make enquiries to meet its regulatory obligations to investigate such matters.

Upon receipt of the fraud report, Monzo contacted Mrs A. It asked her to explain why she'd received the payments. The response it got back was that this was money received on behalf of a friend for surgery in Africa and was a loan. Monzo didn't find this satisfactory and decided to load the marker. It also decided to retain it, after reviewing the case following Mrs A's complaint and further information.

I've looked at the circumstances and I don't find Monzo's position unreasonable. This is because Mrs A hasn't been able to provide any tangible evidence to show how the alleged arrangement came about at the outset, supporting it was a favour and needed for surgery. The purpose of the payments also doesn't align with the fraud report submitted to our service in confidence¹. Neither do the names Mrs A has given us, align with some of the other information. There is also the fact that Mrs A didn't send all of the funds that were supposedly loaned to the friend but retained some for herself, thus benefitting from them. Mrs A says the £100 was for lace she'd sold but again there isn't anything to support she was told to keep this amount, and although she says this was agreed on the phone, I'd expect to see something more.

Ultimately, my role is to look at what both sides have provided and consider the weight of the evidence. Here, although Mrs A has attempted to explain things and with some screen shots of conversations she's had, the information wasn't satisfactory to Monzo. There isn't anything setting out why the payments needed to go into her Monzo account in the way that they did and there's not enough persuasive evidence to support that these funds had been legitimately obtained because of the arrangement she's mentioned.

In conclusion, I'm satisfied Monzo had enough information to support its actions, with the report it received, the account activity and the responses Mrs A has given. It follows that I don't find its actions were unfair to record the marker, maintain it and close the account (there's provision for that in the account terms and conditions). This means that I won't be requiring any further action to resolve this complaint, and as this is also the final stage of our process, my decision completes our review.

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 Mrs A to accept or reject my decision before 24 November 2025.

Sarita Taylor
Ombudsman

¹ *Where there are sensitivities surrounding evidence supplied in confidence, I have to balance expectations with the impact sharing information might have on our ability to receive and consider evidence provided in confidence. Our rules (DISP 3.5.9(2)R) allow me to do this.*