

## The complaint

Miss M complains Monzo Bank Ltd recorded a marker against her at Cifas, a national fraud database and closed her account. She doesn't think it's treated her fairly.

## What happened

I issued a provisional decision on this case, explaining why I didn't intend to uphold it. Below is a copy of what I said.

### Copy of the provisional decision

*Miss M had an account with Monzo. Between May and June 2024, it was credited with four large payments totalling £4,200 from a third party, through bank transfers. The funds were then spent at various merchants or transferred out. However, the payments were reported as fraudulent because the bank from which they had come, notified Monzo that its customer had been the victim of a scam.*

*Monzo restricted the account and requested information to support why Miss M had received the payments. She said her partner owed her money and had arranged for someone who owed him, to pay her instead. The bank requested supporting evidence of this arrangement, but Miss M wasn't able to give any. After a review, Monzo decided to close the account. At the same time, it also filed a misuse of facility marker at Cifas, as it believed Miss M had been complicit in receiving fraudulent funds.*

*Later on, another fraud report was received about other incoming payments to Miss M's account between 30 June and July 2024 for £4,000.*

*Miss M found out about the marker, and she complained she'd not done anything to cause this. She said the marker was affecting her ability to get a bank account, and she'd received money from her partner through a third party to help with bills for her and her children.*

*Monzo reviewed the information but didn't think it had made a mistake. Dissatisfied, Miss M came to us. In doing so she said what had happened:*

- *"While I admit to being naive in allowing someone I trusted, my ex-partner to facilitate transactions through my account, this was not done with any fraudulent intent.*
- *I genuinely believed these transactions were legitimate and failed to realise the potential implications.*
- *I now understand that my lack of knowledge may have contributed to Monzo's concerns, but I firmly maintain that this does not equate to fraudulent behaviour.*
- *At the time, my partner informed me that someone needed to transfer money into my account to assist with bills and my children's needs.*
- *When Monzo contacted me, I immediately informed my partner, requesting proof of entitlement to the money.*
- *He claimed the transaction was made over the phone and failed to provide the*

- necessary evidence.
- *Despite my efforts to communicate this with Monzo, I was left unable to provide the required documentation.*
  - *I made it clear to Monzo that I did not know the individual linked to these transactions and had no fraudulent intentions.*
  - *The person in question was connected to my partner, who took advantage of my trust and naivety.”*

*Miss M added that she didn't think Monzo had treated her fairly when it had declined to remove the marker, after the additional information she'd given it to support the above. She said her partner had done this to other people as well.*

*One of our investigators looked at the case. They found Miss M's explanation plausible, when looking at the other evidence. They noted the funds had been spent using Apple Pay in an area where Miss M didn't live but her partner did spend time. And given Monzo's evidence showed there were two Apple Pay tokens on the account, she believed this supported what Miss M had said about her ex-partner using the account. The investigator thought that whilst this looked suspicious, there wasn't enough evidence to demonstrate Miss M was complicit and aware of the fraudulent funds. Therefore, she recommended Monzo remove the marker.*

*Miss M accepted the outcome, but Monzo didn't. It said it was satisfied the fraud marker had been loaded correctly and asked that the matter be referred to an ombudsman.*

### ***What I've provisionally 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.*

*This includes all the information provided after the investigator's opinion letter.*

*The marker that Monzo has filed is intended to record that there's been a 'misuse of facility'. To file such a marker, it's not required to prove beyond reasonable doubt that Miss M 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 a bank must first be able to show that fraudulent funds have entered Miss M's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Miss M was deliberately dishonest in receiving the fraudulent payments and knew they were, or might be illegitimate payments. This can include allowing someone else to use their account to receive illegitimate payments. 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 bank 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 Miss M'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 Miss M's account was because of a fraud. Looking at what was reported, I'm satisfied the bank was alerted to a possible scam and needed to make enquiries to meet its regulatory obligations to investigate such matters.*

*Monzo contacted Miss M on 19 July 2024, to understand why she'd been expecting the payments. She said this was money her ex-partner owed her for "rentals", and he'd arranged for someone who owed him, to pay her. Monzo asked if there was any supporting evidence of the arrangement, but Miss M said her baby had reset her phone, so she'd lost everything. She added that she didn't know the person whom the payments had come from, and this was an arrangement between them and her partner.*

*I've thought about this, but I don't find Miss M's testimony persuasive about what she understood the payments were for; her ex-partner paying her back for rent and helping with bills. I say this because, the payments going into the account were significant and none of the expenditure typically corresponded with bills. Indeed, there were large number of outgoing transactions to bars, hotels and luxury shops and with the usage on the account ramping up significantly after the incoming disputed payments. Miss M has explained that her partner was involved in hospitality and the person making these transactions, but if she genuinely understood the money was for rent and to help with general bills, then I don't understand why Miss M authorised an Apple Pay token and allowed expenditure to be undertaken for business or that she wouldn't have questioned this when she was in control of the account (I can see she was using the account too). In my view, none of this aligns with the original submission that was made to Monzo that the funds were for rent and indicates Miss M wasn't telling the bank everything when she responded.*

*Miss M told us that when Monzo contacted her, she immediately spoke to her partner about the payments. He said the transaction was done over the phone and therefore he failed to provide the necessary evidence. But I can see that when she contacted Monzo again, she said something different – she stated,*

*"My 3 year old baby reset my phone so I have lost all chats and contacts. I can't retrieve anything".*

*Looking at what Miss M told Monzo at the time, and then us, the information she gave the bank couldn't have been true about any relevant chats being lost. Considering this, I would have to question her motivation for saying what she did to Monzo. And I think this points to her being aware the payments weren't legitimate. I've gone onto look at the phone messages that were provided after Miss M's complaint, of interactions between her, her mother and a third-party, but these aren't enough to persuade me otherwise when thinking about some of the other evidence I've referenced. This is Monzo's position, and in the circumstances, I don't think it's unreasonable.*

*Ultimately, I must decide the case based on the evidence and the weight of it. I'm naturally sorry to hear about the difficulties Miss M has told us she's experiencing, but I'm afraid this on its own isn't a basis for me to tell Monzo to remove the marker. Miss M has provided some additional information but overall, I'm satisfied Monzo had enough information to support its actions on the marker, with the report it received, the account activity and the replies Miss M gave. I also don't think it was unfair of Monzo to close the account (there's provision for that within the account agreement). It follows that I won't be requiring the bank to do more.*

### ***My provisional decision***

*My provisional decision is that I don't uphold this complaint.*

### **Responses**

Monzo didn't add anything further. Miss M responded to say she was new to the UK and didn't understand how the banking system worked. Her ex-partner took advantage of her and undertook fraud. She said she understood why I had made this decision; however, it didn't make her situation better.

### **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've reviewed everything again, including the responses. I acknowledge how Miss M feels; however, I haven't seen anything compelling to change my mind. The evidence that Monzo has remains robust in supporting its position that Miss M was aware the payments might not be legitimate, particularly noting her responses to the bank. It follows; I fully adopt my provisional decision as part of this final decision.

### **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 Miss M to accept or reject my decision before 10 October 2025.

Sarita Taylor  
**Ombudsman**