

The complaint

Ms K has complained Monzo Bank Ltd lodged a fraud-related marker on the industry database CIFAS in her name.

What happened

In May 2024, Monzo received a fraud report from another bank about two payments made into Ms K's account. These payments were for £1,000 and £600 from an individual I will refer to as M.

Monzo reached out to Ms K asking her to show she was entitled to the money. Ms K responded and said she had sold some unwanted gifts. She didn't provide any further evidence to support her explanation.

Monzo returned the £1,600 back to the sending bank so that it could be returned to the victim of the fraud.

In June 2024, Monzo sent Ms K a message to let her know it was closing her account. They also lodged a fraud-related marker on the CIFAS database.

In April 2025, Ms K found it difficult to open another bank account and discovered the CIFAS marker. Ms K contacted Monzo and asked them to remove the marker. Monzo reviewed its decision but refused to remove the marker.

Ms K remained unhappy. She said the marker is making life very difficult and stressful. She can't open a bank account and is worried this will impact her ability to pursue her life in the UK. She said she hasn't done anything wrong and the payments were for a legitimate sale of personal items which she completed in good faith. And she has been the victim of a scam.

To support her explanation Ms K provided our service with:

- Screenshots of the payments received into her Monzo account.
- Chat history with the buyer confirming the agreement of sale and payment.
- A screenshot shared by the buyer showing their payment transfer reference.

Our investigator reviewed everything including the evidence provided by Monzo. They thought Monzo had enough evidence to lodge a CIFAS marker so didn't uphold the complaint.

Ms K disagreed. She said Monzo didn't give her a chance to explain things and she has is now out of pocket and lost the items she sold. She said the marker was having an impact on her mental well-being and might impact her UK visa.

As no agreement could be reached the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Monzo has treated Ms K fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No courtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Ms K's submissions.

The marker that Monzo filed with Cifas against Ms K is intended to record that there's been a 'misuse of facility' – relating to using his account to receive fraudulent funds. In order to file such a marker, they're not required to prove beyond reasonable doubt that Ms K is guilty of a fraud of financial crime, but they must show that there are grounds for more than mere suspicion or concern. Cifas 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 Ms K's account, whether they are retained or pass through the account.

Secondly, the bank will need to have strong evidence to show that the consumer was *deliberately* dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. But a marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show *deliberate* complicity. There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Monzo. This confirms Ms K received funds into her account that were confirmed by a third -party bank to have originated from fraud. The bank reported that their customer had fallen victim to a scam. Ms K didn't benefit from the money as Monzo removed it from her account and sent it back to source. But I can see from looking at the in-app chat between Ms K and Monzo when Monzo told her it had closed her account that Ms K was expecting to receive the money.

Ms K's evidence to our service suggests that she sold unwanted clothing to M that she knew through another acquaintance. Ms K says she met M at a market and delivered the items she sold in person to M. But there's little evidence of the version of events described by Ms K and there's conflict between what she says was the arrangement and the nature of the incoming payments and what Mr M told his bank. It's also usual in such purchases to pass

messages about the sale and delivery/collection of the items. If the sale of the items were legitimate I would have expected there to be some evidence of this. And there isn't, which I find unusual. It also doesn't explain why M claimed he'd been a victim of fraud.

I've also looked at the screenshots Ms K has provided about why she was expecting to receive the £1,600 from M, which includes photographs of the items Ms K says she sold to M. However, I don't find them persuasive. I say this because none of the photos are dated and there is no reference to clothing in any of the messages between Ms K and M – just confirmation that the funds have been transferred to Ms K – which isn't in dispute.

I've also kept in mind that despite being told by Monzo it had returned the £1,600 to the sender back in June 2024, Ms K didn't raise a complaint about this. I think if Ms K had been scammed as she is suggesting in parting with her goods and then not been paid she would have told Monzo this at the time. But she didn't do so. I also find it quite telling that Ms K didn't offer to provide the information she has given to our service when first contacted by Monzo – given this was her first opportunity to do so. This leads me to doubt the credibility of Ms K's version of events.

For these reasons, I can understand why Monzo had concerns about the legitimacy of the funds and I'm satisfied with the actions they took at this time – which was, loading a CIFAS marker against Ms K and eventually closing her account.

In summary, like Monzo I'm not convinced the funds were because of the sale of clothing. I must reach a decision based on the evidence and I'm afraid I don't find what Ms K has said about why she received the payments M plausible. And there were fraud reports about these payments. Thinking about this and the other evidence, which Monzo has shared with us in confidence about how Ms K was operating her account, I'm satisfied Monzo had enough information to justify recording the marker. So, on this basis I didn't think it would be fair or reasonable to ask Monzo to remove the marker.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 28 January 2026.

Sharon Kerrison
Ombudsman