## The complaint

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

## What happened

In August 2022 Monzo received a fraud report from another bank about two payments made into Miss P's Monzo account. These payments were for £199 and £399. Monzo blocked Miss P's account whilst they reviewed what had happened. After consideration, they believed they had sufficient evidence to lodge a CIFAS marker and close Miss P's account.

Three years later, Miss P asked Monzo to remove the marker. Monzo asked Miss P to confirm she'd been entitled to these payments, but she wasn't able to do so to their satisfaction. Monzo refused to remove the marker. However, they noted they'd not followed their proper internal processes at the time of closing her account. They offered her £75 compensation.

Miss P brought her complaint to the ombudsman service as she was unhappy about the impact a CIFAS marker was having on her life.

Our investigator noted Miss P's testimony that she'd been working for a number of agencies back in 2022 so had always assumed these two payments related to salary payments. However she wasn't able to get an explanation why Miss P then felt she had the right to spend these funds she couldn't clearly identify. She agreed Monzo had enough evidence to lodge a CIFAS marker.

Still unhappy, Miss P has asked an ombudsman to consider her complaint. She's provided us with testimony from a number of external parties to her character and willingness to contribute positively to society and act with integrity. She strongly believes the marker has had a disproportionate impact on her and has particularly limited her ability to have a bank account.

## 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."*

So Monzo must be able to provide clear evidence that an identified fraud was being committed, and Miss P was involved. This means that they must have more than a suspicion or a concern that Miss P may be involved.

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 they received a notification from another bank that unauthorised payments had been made from their customer's account. Two payments of £199 and £399 credited Miss P's account on 6 and 7 August 2022. They could also see that this money was immediately sent elsewhere using a remittance service. There's no dispute the money that credited Miss P's account wasn't hers.

Monzo also confirmed that they knew of another marker in Miss P's name that had been loaded by another financial institution.

Miss P told our service that at this time she was working for different employment agencies and although she'd not specifically recognised the name of the person who'd sent her this money, she felt it must be money she'd earned. She was keen to send money overseas to help out a friend and this is what she did.

Miss P has sent us payslips from this time. However, I know she didn't just have an account with Monzo so these payments were obviously made to another account. I find it difficult to believe Miss P wouldn't have known who she was working for and expecting money from.

Another problem with this testimony is that I can't understand why Miss P if she didn't recognise who'd sent her this money, would then immediately spend it. On 6 August she sent £290 to another of her own accounts, and the following day sent nearly £480 overseas using a well-known remittance service.

I appreciate Miss P may have wanted to send money to help a friend, but she now says she didn't know who'd sent her this money. This suggests to me she's clearly using funds that weren't hers. Miss P has referred to existing fraud legislation in her submission to her service. She will therefore be aware that using funds that are not hers and for her gain – so for example, by sending this to a friend – would constitute an offence.

It's clear in 2022 Monzo didn't ask Miss P to tell them where she'd got this money. I'd have expected them to do this. Neither did they formally confirm to her they were closing her account. That said I have seen numerous emails between Miss P and Monzo in August 2022 when it's clear she knew her account was blocked and under review. She was also aware that her account had been closed even if she'd not been formally told.

Monzo has offered £75 in compensation for these failings. I believe this is fair. I know Miss P disagrees and argues that if she'd been asked questions back in 2022, she'd have had an opportunity to clarify what had happened. However, I don't agree as I'm not convinced her testimony then would have made any difference, as it hasn't now.

I have considered Miss P's personal situation. I note the impact this must be having on her.

However, having reviewed Monzo's evidence of Miss P's account use, I'm satisfied Monzo had sufficient evidence to lodge the CIFAS marker.

On this basis, I don't believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

## My final decision

For the reasons given, my final decision is to instruct Monzo Bank Ltd to pay Miss P £75 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss P to accept or reject my decision before 10 November 2025.

Sandra Quinn
**Ombudsman**