

The complaint

Mr B has complained Starling Bank Limited lodged a fraud-related marker on the industry database Cifas in his name. He wants the marker removed.

What happened

In February 2025, Starling received a fraud report from another bank about three payments made into Mr B's account. These payments were for £300, £250 and £200 from an individual I will refer to as J. Each payment had the reference 'cab.' Mr B spent the money immediately.

Starling reached out to Mr B on 6 February 2025 asking him to show he was entitled to the money. Mr B didn't respond. So, Starling reached out again to Mr B on 13 February 2025. Mr B didn't respond. Following this Starling lodged a fraud-related marker on the Cifas database.

In May 2025, Mr B discovered the Cifas marker. Mr B contacted Starling and asked them to remove the marker. He told Starling that J was his close friend and he had received the money to pay for a holiday the pair were taking to celebrate Mr B's birthday. Starling reviewed its decision but refused to remove the marker.

Mr B remained unhappy. He said the marker is making life very difficult and stressful. He said he hasn't done anything wrong and the payments were for a legitimate holiday that he and J took. To support his explanation Mr B provided our service with:

- A screenshot of a payment he says he made to pay for a cab whilst on holiday.
- A screenshot of a currency purchase he says he made whilst on holiday.
- Copies of the holiday booking showing flights, hotel and costs.

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

Mr B disagreed and asked for an ombudsman to review his complaint. He said he could provide more information and asked for more time. But Mr B didn't send us anything more.

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 Starling has treated Mr B 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 discourtesy 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 Mr B's submissions.

The marker that Starling filed with Cifas against Mr B 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 Mr B 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 Mr B'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 Starling should be giving the account holder an opportunity to explain what was going on.

In February 2025, Starling asked Mr B on two separate occasions to send them evidence of his entitlement to the three payments J had made into his account. And proof that the money belonged to him. But Mr B didn't get in touch with Starling. So, I am satisfied Starling gave Mr B an opportunity to explained why he had received the money.

So, I need to consider whether based on all the information including the evidence Mr B has submitted to us, whether Starling had sufficient evidence to meet the standard of proof and load a marker for misuse of facility with Cifas. Having looked at all the information provided, I'm satisfied they did, and I say this because:

- I've seen the evidence from Starling that confirms they were notified by another bank that fraudulent funds were paid into Mr B's account. Mr B then spent the funds.
- When Starling asked Mr B about the payments at the time. He didn't respond. I find it odd that all attempts failed to get a response from Mr B. It appears Mr B only got in touch with Starling when he discovered the Cifas marker. The fact that he didn't do so makes me think it's more likely than not that Mr B knew the money coming into his account was fraudulent.

- After bringing his complaint to our service, Mr B provided an explanation about the activity on his account. Mr B said he and J are friends and the three payments were received from J to cover the costs of a shared holiday they took.
- Mr B has provided our service with screenshots and details of the holiday that he says supports his explanation. I have looked at the information Mr B has provided which includes details of the holiday booking (flights and accommodation), taxi invoice, and a currency purchase. However, I don't find them persuasive. I'll explain why.
- The taxi invoice and currency transactions are both undated. So, there is no way for me to know with any degree of certainty that these relate in any way to a holiday Mr B says he took with J.
- The country destination shown on the taxi invoice is spelt incorrectly, which leads me to doubt the authenticity of the document Mr B has provided to our service.
- I note too that the dates of the trip Mr B said he took with J differ on the paperwork. I can see that accommodation is booked between 15 and 20 December 2023 and flights are booked to leave the UK on 15 December 2023. The paperwork shows that the holiday duration was five days in total. However, the return date of Mr B and J's flight is shown as 20 December 2024. I find it hard to believe that this would be a mistake on the part of the booking company – especially given the importance of accuracy of such documents. This leads me to suspect that the documents Mr B has provided have been doctored.
- Mr B hasn't provided any evidence about his holiday arrangement with J, such as any messages between him and them planning the holiday. Including any arrangements to cover the costs. I find the fact there is no evidence at all just isn't credible. I'd expect there to be some evidence that led up to this arrangement which Mr B could provide. But nothing has been provided.
- Mr B hasn't explained why the reference of the payments is 'cab' when he has said the money was to pay for a holiday. The total cost of the holiday was just over £900. Yet Mr B received £750 from J. If Mr B and J were spitting the costs as he has suggested I'd expect the amount he received from J to be less. Based on what Mr B has said and provided the figures just don't add up. So, overall, I'm not persuaded Mr B received the funds for the reasons he has suggested.
- Mr B allowed the use of his account in this way and so was in control of who had the benefit of this money. After Mr B received the payment, the funds were immediately transferred to another account and withdrawn in cash by Mr B. This activity suggests to me that Mr B was potentially involved in money laundering. And benefited from the fraudulent funds.
- I've considered what Mr B says about the impact the marker has had on him. But he hasn't described being placed under any duress or being especially vulnerable. In my view, based on all the evidence, I think it's most likely he allowed his Starling account to be used for receiving fraudulent funds. I say this because when Starling first asked about the activity on his account, when he would have had every reason to come clean if he was an unwitting participant, he didn't get in touch with the bank.
- As far as I can see, the evidence strongly supports that Mr B was knowingly involved in fraud, whether directly, or as a money mule. So, I'm not convinced Mr B is an innocent party. I think the evidence shows that Mr B was involved in a misuse of facility.

- I also find it quite telling that Mr B didn't offer to provide the information he has given to our service when first contacted by Starling – given this was his first opportunity to do so.

For these reasons, I can understand why Starling 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 Mr B.

In summary, like Starling I'm not convinced the funds were because J owed Mr B money for a holiday the pair took. I must reach a decision based on the evidence and I'm afraid I don't find what Mr B has said about why he received the payments from J plausible. And there were fraud reports about these payments. Thinking about this and the other evidence, which Starling has shared with us in confidence about how Mr B was operating his account, and what Mr B has provided, I'm satisfied Starling had enough information to justify recording the marker. So, on this basis I didn't think it would be fair or reasonable to ask Starling 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 Mr B to accept or reject my decision before 24 March 2026.

Sharon Kerrison
Ombudsman