

## The complaint

Mr K complains TSB Bank plc recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly.

## What happened

Mr K held an account with TSB. In June 2025, he received a payment from a third-party, through a bank transfer. The funds were later used. However, the payment was reported to TSB as being the result of a scam.

TSB restricted the account and requested information to support why Mr K had been entitled to the funds. He said he'd borrowed the money, and it was from a friend. TSB asked for some supporting evidence of this arrangement and Mr K provided a screen shot of the transfer. However, TSB didn't think this was satisfactory and said that he would need to provide a bank statement from the sender or the fraud claim would need to be withdrawn. When TSB didn't get this, it filed a misuse of facility marker at Cifas, as it believed Mr K had been complicit in receiving fraudulent funds. It also closed the account. Mr K found out about the marker and complained that he'd not done anything to cause this.

TSB reviewed the matter, but it didn't think it had made a mistake. Dissatisfied, Mr K contacted us and said the marker was affecting him financially and personally day to day. He said the person sending the funds had made a baseless claim and had refused to engage with him.

One of our investigators reviewed the case and gathered some information. She acknowledged what Mr K had said but agreed with TSB's analysis, that there wasn't anything to show he'd been legitimately entitled to the payment. She also noted some inconsistencies in his testimony, noting he'd told the bank that the person sending the funds was a friend that he'd known for six months, however, he'd told her that this was someone he was selling something to, on Snapchat. Weighing everything and without any further evidence to show the payment wasn't fraudulent, she concluded TSB had met the bar for loading the marker and there wasn't an error in closing the account either.

Mr K disagreed with the outcome on his complaint. He said the bank hadn't investigated things properly, which had resulted in him being treated unfairly. And it was wrong that he should have to suffer the consequences for six years. He said that if the marker wasn't removed, he should be compensated.

When an agreement couldn't be reached, 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.

The marker that TSB 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 Mr K 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 Mr K's account, whether they are retained or pass through the account. Secondly, the business will need to have strong evidence to show that Mr K 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 TSB has enough evidence to show fraudulent funds entered Mr K's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

TSB has provided evidence that it received a report, saying that funds which entered Mr K's account was because of a fraud. Looking at what was reported, I'm satisfied the bank had reasonable evidence of a fraud and needed to make enquiries to meet its regulatory obligations to investigate such matters.

TSB asked Mr K to explain why he'd received the payment, so I'm satisfied that he was given a fair opportunity to "defend" himself. The response it got back was that the money was from a friend and was borrowed. TSB didn't find this satisfactory and decided to record the fraud marker. It also decided to retain it, after reviewing the case following Mr K's complaint and further information.

I've looked at the circumstances, and I don't find TSB's position unreasonable. The fraud report details are compelling, and Mr K hasn't been able to demonstrate the claim against him was unfounded. He initially said the sender was a friend he'd known for a while, whom he'd spoken to only the day before and these were funds that had been borrowed. But why would a friend raise such a claim. This heightened TSB's concerns considering the nature of the fraud report. Latterly, Mr K has said he was selling items and met the sender of the payment on Snapchat. But the difficulty is that he doesn't have any tangible evidence of the sale and engagement with the sender. His testimony has changed and there's no reasonable explanation for this. The bank also told Mr K what it would need from him, and I don't think that's unreasonable, if there's only been a misunderstanding as he suggests.

As part of my role, I must look at what both sides have provided and consider the weight of the evidence. Here, although Mr K has attempted to explain things, I'm satisfied TSB had enough information to support its actions that it believed Mr K had been complicit in receiving illegitimate funds, with the report it received, the account activity and the lack of any credible information from him. It follows that I don't find recording the marker and closing the account was unfair (there's provision for that in the account agreement).

I understand this complaint is important to Mr K and I hope he's able to access support, but given the circumstances, I won't be asking TSB to delete the marker. TSB has not made a mistake, and it doesn't need to compensate him. I'm sorry to give him disappointing news

but I must look at the evidence objectively and these are my conclusions based on the available evidence.

### **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 Mr K to accept or reject my decision before 29 December 2025.

Sarita Taylor  
**Ombudsman**