

The complaint

Miss G complains Monzo Bank Ltd unfairly loaded a Credit Industry Fraud Avoidance System ('CIFAS'- the UK's fraud alert service) marker against her name.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss G held a Monzo account which was opened in January 2024. In March 2025 Monzo received notification that Miss G's account had received a fraudulent payment. Monzo reached out to Miss G to ask about her entitlement to these funds.

In response to the queries Miss G explained the incoming payment was a gift from a family friend. At the same time Miss G asked for her account to be closed down as she didn't need it anymore. Based on its review of the account and Miss G's comments Monzo made the decision to close Miss G's account immediately. It also loaded a CIFAS marker against her name.

Miss G noted the application of the marker against her name and complained to Monzo. Miss G said the marker was having an adverse impact on her as she was unable to open accounts elsewhere. Miss G provided more details about the account activity – explaining that she used the account for her parents to send her money as she was a student. Miss G said in February 2025 someone asked for her account details so their grandfather could send some money for driving lessons. Miss G says she agreed to this as the individual said their account was temporarily unavailable. Miss G says following this one payment, she started receiving other payments, as this individual had passed her details on and allowed her account to be used.

Monzo completed a review of its decision to load the marker in light of Miss G's additional comments. Monzo maintained its decision, explaining to Miss G that her account didn't show any sign of a take-over and she testimony regarding the account activity has been inconsistent, and she hasn't providing supporting evidence.

Unhappy with the response received, Miss G referred her complaint to this service. An Investigator reviewed Miss G's comments and gathered the necessary evidence, and in summary, made the following findings:

- The checks Monzo carried out were thorough and it provided Miss G with an opportunity to explain her account activity.
- Monzo had enough evidence to apply the CIFAS marker.
- There is no evidence of an account take over and no new devices were added to her account.

Miss G disagreed with the Investigator's review, and provided further submissions. This included a statement from the individual who Miss G says she provided her account details

to. The Investigator reviewed Miss G's additional submissions, but their opinion remained unchanged.

Miss G didn't accept the Investigator's findings and maintained she had been treated unfairly. As no agreement could be reached the complaint was referred to me – an ombudsman – for a final 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.

I appreciate Miss G was disappointed by the Investigator's opinion. I'd like to reassure Miss G that I've considered the whole file and what's she's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Firstly, I am sorry to see Miss G has had cause for complaint. I don't underestimate the worry and anguish this situation has caused, and also the stress of dealing with the complaint about it. Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

As a UK financial business, Monzo is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Monzo needs to review, restrict, or in some cases go as far as closing, customers' accounts.

In order to adhere to its regulatory duties these businesses will use databases to share information. CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud. When a bank is a member of CIFAS, it can record a marker against a customer when that customer has used their account fraudulently. This type of marker will stay on a customer's record for a specific period, depending on the customer's age and will usually make it difficult for that customer to take out new financial products. CIFAS forms an important part of the financial services regulatory framework and is intended to assist in the detection and prevention of financial crime.

In order to file such a marker, Monzo is not required to prove beyond reasonable doubt that Miss G is guilty of a fraud or financial crime, but it must show that there are grounds are 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 such that the member could confidently report the conduct of the subject to the police.

What this means is that Monzo will need strong evidence to show that Miss G has used the account to receive fraudulent funds. A CIFAS marker shouldn't be registered against a customer who has acted unwittingly – there must be evidence of a deliberate fraudulent

action. The application of a CIFAS marker can have serious consequences for an individual, so this service expects business to carry out a thorough review of the available evidence.

My role is to establish if Monzo has sufficiently demonstrated it has met the burden of proof set out by CIFAS to load the marker against Miss G. Monzo has provided this service with details of the investigation it carried out following the fraud report it received. This included a detailed review of Miss G's account activity. It also provided Miss G with an opportunity to provide her version of events and further evidence. At this stage Miss G explained the payment was from a family friend and the account could be closed. However, this information was inconsistent with the account activity and fraud report that Monzo had received. Monzo weighed up this evidence, against the details of the fraud claim made and the account activity and found the requisite bar had been met for applying the marker. I think Monzo acted reasonably in loading the marker against Miss G based on the evidence it held.

When Miss G raised her complaint with this service, she provided further details the incoming payment. I've thought carefully about whether the application of the marker is fair in light of these additional submissions. Miss G says an individual who was a friend persuaded Miss G to receive one payment from a relative, but this escalated and her account details were passed on and she received payments from various individuals she didn't know.

Miss G provided screenshots of the conversation with this individual, and they appear to show Miss G being guided on how to deal with CIFAS issues. The points Miss G make are serious, and I have thought about all the evidence she has submitted carefully. However, I am mindful that Miss G's account doesn't show any signs of a take over as no other devices were registered to it. Miss G has also only revealed this information now, but when she raised her concerns with Monzo and our service, her explanation around the incoming payment was very different. I don't doubt Miss G may have been involved with other parties and this meant her account was also used. However, I am not persuaded, based on the evidence I've seen, that Miss G was 'unwitting' and totally unaware her account was receiving fraudulent funds.

It's important that I highlight Monzo is under a duty to take fraud claims seriously and at face value. It is required gather evidence from both sides – which it did, and assess this in light of its regulatory duties. I must also highlight that Monzo has shared in confidence with this service, additional information which I consider supports its decision to close the account and load a CIFAS marker against Miss G.

As part of her complaint to this service Miss G has highlighted the significant impact the marker has had on her mentally and emotionally. I am also mindful of the fact Miss G is a student and in the process of applying for a student visa. Whilst Miss G has my sympathy Monzo is under a duty to accurately record information about all its customers, and it must do so in an objective manner. Further, the test set out by CIFAS doesn't ask businesses to make judgements on each individual customer. Instead, the test sets out clear requirements that enable businesses such as Monzo to make evidence and fact-based decisions.

The loading of a CIFAS marker can have serious consequences, and I am sorry to learn of the impact Monzo's decision has had on Miss G. Having reviewed Miss G's comments and the supporting evidence I don't find these allay the concerns regarding fraud and clearly show Miss G is entitled to the funds that entered her account. This means I agree that the evidence available equates to more than mere suspicion or concern of fraudulent activity. I therefore find that the marker was loaded fairly.

I appreciate Miss G will be disappointed with my decision, but I am satisfied Monzo acted reasonably in taking this action to discharge its regulatory obligations. I hope my decision provides some clarity around why I won't be asking Monzo to take any further action.

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 G to accept or reject my decision before 27 November 2025.

Chandni Green
Ombudsman