

## The complaint

Miss B complains that Monzo Bank Ltd closed her account and loaded an adverse fraud marker against her name.

## What happened

As the circumstances of this complaint are well known to both parties, I have summarised them briefly below.

Miss B held an account with Monzo. In November 2024, Monzo received fraud reports from a third-party bank alleging that Miss B's account had been the recipient of the proceeds of crime.

Monzo reached out to Miss B, to give her the opportunity to explain the inbound payments. But as those correspondences were ignored, Monzo closed Miss B's account and loaded an adverse fraud marker against her name on the Cifas database.

In February 2025, Miss B complained to Monzo regarding the closure of the account and the application of the adverse marker. Monzo considered Miss B's complaint but didn't uphold it. In summary, it found that it closed the account in line with the terms and conditions of the account and loaded the marker fairly.

Miss B remained unhappy, so she referred her complaint to our service for an independent review. In doing so, Miss B disclosed to our service that she was young and vulnerable at the time the activity occurred on her account. She said she was coerced and manipulated by a third-party who used her account for the activity in question.

An Investigator considered the complaint but didn't recommend it be upheld. They found that Monzo's actions were fair and reasonable in the circumstances.

Miss B remained unhappy with that outcome, so the matter has now been passed 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.

### *Was the recording of the Cifas marker fair?*

One of the relevant considerations here is set out by Cifas: the fraud marker database controller. In its Handbook—which members must adhere to when loading markers—it sets out the burden of proof the member must meet. The relevant standards regarding this complaint are:

1. That there are reasonable grounds to believe that a fraud or financial crime has been committed or attempted.
2. That the evidence must be clear, relevant and rigorous.

My interpretation of these standards is that a member cannot simply load a marker against an individual based on mere suspicion. It must be able to meet a higher bar; in that a customer was likely a witting participant in the alleged conduct. This has been reinforced by Cifas' Money Mule Guidance, which it released to its members in March 2020.

Having considered these standards, I'm satisfied that Monzo has been able to demonstrate the first of the above two standards has been met. While I am unable to disclose the exact details of the report Monzo received, it is clear there was a credible allegation of fraud by a third-party. And it can be confirmed that the funds stolen as a result of this fraud were transferred to Miss B's account.

I have also thought carefully about whether Monzo has demonstrated the second of the above two standards, in that the evidence is clear, relevant and rigorous that Miss B was likely a witting participant in the alleged conduct.

Firstly, I would like to thank Miss B for her openness and bravery in disclosing her difficult personal circumstances at the time. I appreciate that it would not have been easy for her to share this with our service. I'd like to point out that it is not my role to decide whether Miss B's testimony is likely true or not, only to decide whether Monzo had sufficient grounds to load the fraud marker against her on the Cifas database.

Monzo reached out to Miss B via its in-app chat, asking her to account for the payments to which the reports related. While it ought to have done this via a secondary method of contact also—as per Cifas guidelines—I'm satisfied that Miss B did receive the in-app messages she was sent, as she has admitted to reading these.

Miss B chose to ignore these messages. And while I understand the explanation she has given for not responding, Monzo were in a position at the time where it had confirmed reports of fraud and no reasonable explanation from Miss B as to why she'd received the credits. It is therefore reasonable at this stage that Monzo chose to load the Cifas marker against her.

Since coming to our service, Miss B has disclosed that she was manipulated and taken advantage of by a third-party at the time the payments were made into her account. Miss B has also disclosed that in order to put this period of her life behind her, she has deleted all previous communication with this individual. Miss B also possesses no additional, related evidence to support her testimony that might assist me in corroborating her account.

Again, while I do not disbelieve Miss B's testimony, I currently have no evidence to support the version of events she has now disclosed to our service. It would therefore be unreasonable for me to find that Monzo no longer has sufficient ground to retain the marker loaded against her. The fact remains that her account was in receipt of fraudulent funds and that she has not been able to evidence an innocent explanation for this.

I do sympathise with Miss B's circumstances, and the impact the fraud marker is having on her day-to-day life. But I must look at the evidence objectively and decide whether Monzo acted fairly at the time it decided to load the marker. And in this case, I find that it has.

*Did Monzo close Miss B's account fairly?*

Monzo is entitled to terminate its relationship with a customer, as long as this is done in line with the terms and conditions of the account and is, what I consider to be, fair and reasonable.

Monzo's account terms set out that it can close a customer's account immediately where it believes they have: broken the law, breached the account terms, or put it in a position where it might break the law.

Here, Monzo received a report that the account was in receipt of the proceeds of crime. So this met more than one of its conditions for immediate closure. I also find that had Monzo not closed the account immediately, it would have been in a position of risk in allowing the account to potentially continue operating illegally.

For these reasons I find that the closure, and notice provided, were fair in the circumstances.

### **My final decision**

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 5 January 2026.

Stephen Westlake  
**Ombudsman**