

The complaint

Mr S has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

Mr S opened an account with Monzo in January 2024 not long before his seventeenth birthday. In March of that year Monzo received four different fraud reports for amounts that credited Mr S's Monzo account. They contacted Mr S to ask about his entitlement to these funds. Mr S responded to them and explained he'd been approached by a third party who was looking to invest in crypto and needed the use of an account. Mr S allowed them to use his account with the understanding that he'd get a share in any profit. He was therefore surprised to find that his account had been used fraudulently, and this third party had then withdrawn funds using Mr S's debit card.

Monzo closed Mr S's account and lodged a fraud-related marker on his record with CIFAS. Mr S was subsequently informed of the CIFAS marker and asked Monzo to remove this.

Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Mr S brought his complaint to the ombudsman service with his mother acting as his representative. He explained that he'd allowed a friend, who was intending to resell items, to use his account and whilst he accepted, he'd been stupid and naïve, he'd not meant to act in a fraudulent manner. He was also keen to study finance and wanted to ensure he could get the marker removed as this would have an impact on his career choice.

Our investigator reviewed the evidence and initially believed there was enough to suggest Mr S didn't know about the fraud and asked Monzo to remove the marker. Monzo disagreed with this outcome and provided additional evidence to confirm the story Mr S had told them, which differed considerably from the one Mr S had told our service and his mother. Our investigator confirmed he felt Mr S had sold his account to an unknown third party, and that therefore would have been aware of the potential for fraudulent misuse of his account. He wasn't going to ask Monzo to remove the CIFAS marker.

Mr S and his mother both appealed against this outcome. The CIFAS marker was having a major impact on Mr S who was distraught about its effects. Mr S's complaint has been referred to an ombudsman for 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.

Having done so, I've reached the same outcome as our investigator did in his initial view. 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 Mr S was involved. This must go above Monzo having a suspicion of Mr S's involvement.

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 four notifications about payments into Mr S's account from other banks and one of their own customers. Mostly it seems the two payments for £160 and one for £320 were for the fraudulent sale of football tickets. There's no dispute that buyers received nothing in exchange.

There's no debate that Mr S had no right to the money sent to him.

To be fair Mr S doesn't dispute this either. A lot of this case seems to be based on the differing accounts Mr S gave to Monzo and our service. Unusually he lied to our service, and it appears he told the truth to Monzo. Usually in cases where a young individual is involved, they lie to the bank and end up telling our service the truth.

In this case I can see that Mr S was deeply concerned at telling his mother the truth. Risking her disapproval was probably worse than the CIFAS marker in many ways.

However, lying to our service (or the bank) isn't a reason alone for lodging or maintaining a CIFAS marker. The key issue is whether Mr S knew he was involved in fraudulent activity.

Monzo has clearly stated their view that Mr S sold his account. Yet there is no actual evidence that money changed hands. I don't doubt Mr S allowed someone he didn't know to use his account. This is a clear breach of the terms and conditions of his Monzo account, but I've not seen any evidence that Mr S benefitted from what happened.

I agree he thought he might benefit financially by the sale of crypto but this didn't happen. As Mr S told Monzo, cash was withdrawn from his account using his debit card, but he knew nothing about this until it was too late. It seems to me Mr S was as much a victim of a scam as the individuals who sent money to his account believing they were buying something they never received. Worse in some ways as he had a CIFAS marker placed on his record.

It's impossible for either our service or Monzo to know definitively whether Mr S knew there was a potential for his account to be used fraudulently. On the other hand there was a potential that his account was being used for crypto purchase, as Mr S was told.

Therefore, suspicion that Mr S may know what was going on isn't sufficient to show Mr S knew what was going on or was involved. Nor does this meet the criteria set down by CIFAS when lodging a marker.

I have considered this aspect carefully as it's not enough that an individual is young and naïve and missed red flags that their account was being used for fraudulent purposes.

I'm also aware that because of Mr S's young age, any CIFAS marker would expire after two years so in March 2026. I know Mr S's mother is concerned that the record would continue to exist, but I can confirm this isn't the case.

After considering all aspects of this complaint and on balance, I have decided that as the key aspect is that the evidence must go beyond confirming a suspicion of Mr S's involvement, I'm not satisfied that exists here. Monzo will need to remove the CIFAS marker if Mr S accepts my decision.

As our investigator completed two views with two different outcomes, there is no requirement on me to complete this as anything other than a final decision. I am satisfied both parties have had plenty of opportunity to submit their views.

My final decision

For the reasons given, my final decision is to instruct Monzo Bank Ltd to remove the marker from Mr S's record with CIFAS.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 December 2025.

Sandra Quinn
Ombudsman