

The complaint

Miss J complains Monzo Bank Ltd unfairly loaded her details to a fraud database.

What happened

Miss J had an account with another bank, S, and this account was closed. Miss J did some research and found Monzo had loaded her details to a fraud database.

Miss J complained to Monzo and it responded three times. Firstly, Monzo said it didn't have enough information from Miss J to reach a decision on the fairness of the fraud database loading.

Monzo then said it had loaded Miss J's details incorrectly, and would now remove the loading. Monzo also offered £100 in compensation.

Finally, Monzo said its second response was incorrect, and it thought the fraud database loading was fair, and wouldn't now remove it. Monzo offered a further £100 to compensate Miss J for the incorrect information, now a total of £200, but wouldn't remove the loading.

Unhappy with this last response, and the confusion caused, Miss J brought her complaint to this service. Miss J said she hadn't applied for the Monzo account, so it was unfair for it to add her details to the fraud database.

And investigator looked into things and thought Miss J had applied for the Monzo account. The investigator thought Monzo had enough information to show fraudulent money was paid into Miss J's Monzo account, so the fraud database loading was fair.

The investigator said Miss J had told us she'd lost her wallet around the time the Monzo account was opened, but the loss of cards and identification was after the Monzo account opened. The investigator thought Monzo's offer of £200 was fair for the poor service.

Miss J disagreed and said she made a mistake about whether she opened the account or not, and now thinks she probably did. But Miss J said she wasn't involved in any of the fraudulent activity taking place on the account.

Miss J explained some really distressing personal circumstances at the time of the fraud, and sent in further medical evidence to show it was a really difficult time for her.

Miss J also sent in some statements from S to show she hadn't sent money to the Monzo account, because she never used it.

Miss J also said this service hadn't considered the poor service from Monzo, she hadn't been sent her data and wasn't aware of Monzo's change of mind or offers.

Miss J said she'd spent a considerable amount of money on legal advice about the fraud marker and a lot of time trying to show she wasn't involved in what happened.

Miss J asked for an ombudsman to decide things.

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.

For me to be able to consider a complaint from Miss J I have to be satisfied she's a customer of Monzo. If the evidence suggests Miss J isn't a customer, I might not have the jurisdiction to consider things.

On balance, I'm satisfied Miss J applied for the Monzo account. Monzo has a video of Miss J applying for the account and copies of her identification. This means I think Miss J is a customer so I can consider her complaint about the fraud marker Monzo added.

Miss J's been sent the statements from the Monzo account, and I'm satisfied a fraudulent payment was made to this account, and then very quickly moved out to another person, D.

But just receiving a fraudulent payment isn't enough for Monzo to fairly load Miss J to a fraud database, it has to show Miss J was complicit in the fraud.

One of the first payments to Monzo was a £5 credit from an account in Miss J's name. This £5 didn't come from her account at S, so I asked Monzo where it came from.

Monzo said it came from another business, R. Miss J's said she only held two accounts, neither was at R. R told me the account was opened using a selfie of Miss J and the same proof of identity used to open the Monzo account.

There were other payments to D on the account with R. And there was an initial payment of £20, again from an account in Miss J's name.

R said the payment came from an account held at S, and S has since confirmed this was Miss J's account, the same one she sent statements in for.

Since Miss J had said her identity was stolen, I don't think it would be enough to say the payment came from any account in Miss J's name, it needed to come from one she had control over, and I'm satisfied it was.

Miss J was using her account with S, and from there she sent a payment to R, and from R to Monzo. I don't think it's very likely an unknown third party opened the account with R or Monzo, I think it's more likely Miss J was aware of these accounts and sent money to them.

And because I think Miss J was aware of these accounts, she was sending her money to them, I think this means Miss J was complicit in the payments on her Monzo account, both the receipt of the fraudulent payment and the payment out to D.

And since I think Miss J was complicit in what happened, I think Monzo's made a fair decision to load her details to a fraud database.

Miss J asked me to carefully consider her poor health at the time of the fraud, and I can assure her I have. I've looked very carefully at what Miss J sent in, and I have great sympathy for what Miss J's been through – it was clearly a very distressing time.

I've also carefully considered the information Miss J's sent in about her capacity at the time of the fraudulent payments. The information suggests Miss J may not have been able to

make a rational judgement about a course and cancelling it.

But it seems Miss J was able to use her account with S during this time, it seems bills were paid, and she appears to have been in control of her own finances.

So, I don't think I can say the information Miss J has sent in suggests she lacked capacity in all areas of her life, to the extent fraud might be committed and Miss J wouldn't know this was the wrong thing to do.

I think Monzo made a fair decision to load Miss J's details to a fraud database, I think Monzo's shown Miss J was complicit in receiving and moving on fraudulent money, even if this meant allowing someone else to do this with her knowledge.

Because I think Monzo made this fair decision, I won't be asking it to remove the fraud database loading.

But Monzo provided Miss J with poor service, it sent a final response saying it would remove the fraud marker, then didn't remove it.

Monzo should have been consistent in what it told Miss J, and because of this I think Miss J was caused some distress and inconvenience, she had to complain again.

I'm persuaded Monzo sent the last final response to Miss J. I think Miss J should have been aware of Monzo's change of mind and increased offer.

But this poor service doesn't mean Monzo made the wrong decision in keeping the fraud marker in place, but it should compensate Miss J, and I think the £200 Monzo's offered is fair in the specific circumstances of Miss J's complaint.

My final decision

My final decision is I uphold this complaint and Monzo Bank Ltd should pay Miss J £200 to compensate for the poor service it gave her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 20 November 2025.

Chris Russ
Ombudsman