

## **The complaint**

Miss U complains Monzo Bank Ltd recorded a marker against her on a fraud database. She doesn't think it's treated her fairly.

She brings this complaint with the help of a representative; however, I will refer to Miss U in my decision because she held the relevant relationship with the bank.

## **What happened**

Miss U received £100 into her Monzo account through a bank transfer in June 2025. She transferred the funds to an account she held elsewhere after moving them in and out of one of her savings pots. However, the payment was later reported to Monzo by another bank as being the result of a scam.

Monzo restricted the account and requested information to support why Miss U had been entitled to the funds. She said the funds had been sent from a friend. Monzo asked for some supporting evidence of this and when it didn't get an answer, it filed a misuse of facility marker at Cifas, as it believed Miss U had been complicit in receiving fraudulent funds. It also closed the account. Miss U found out about the marker and complained that she'd not done anything to cause this. She asked Monzo to remove the fraud marker.

Monzo reviewed the loading, but it didn't think it had made a mistake. Dissatisfied, Miss U contacted us and said the marker was affecting her financially and personally day to day and she wished to challenge the bank's decision.

One of our investigators reviewed the case and gathered some information. Miss U said she'd been approached on Snapchat to receive a payment into her account as a favour for a friend and she thought she was genuinely helping the person. She said she hadn't done anything wrong and certainly not with dishonest intent. She explained that she'd withdrawn the money at a cash machine, handed it over and didn't have any messages of the arrangement as everything was done on Snapchat, and on a call. They'd then blocked her.

The investigator acknowledged what Miss U had said but she felt Monzo had enough information to support its decision to load her onto Cifas, noting she'd not been able to give the bank anything when it had first reached out to her and the activity was a concern considering the fraud report.

Miss U disagreed with the outcome – she said it was common in social-media scams for the scammer to block the victim immediately, which removes access to messages and prevents the victim from gathering evidence. The lack of screenshots was a direct result of the scam, and not an indication of dishonesty. She went on to explain why she'd moved the funds into one of her savings pots and back in again, before transferring the funds to another account she held elsewhere; this was in keeping with her usual account activity and as she'd reached the daily withdrawal limit, she had to move the funds out to another account to withdraw the cash.

Miss U didn't think Monzo had met the threshold for loading the fraud marker and asked that

the case be passed to an ombudsman for a review.

### **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 Monzo 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 Miss U 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 Miss U's account, whether they are retained or pass through the account. Secondly, the business will need to have strong evidence to show that Miss U 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 Monzo has enough evidence to show fraudulent funds entered Miss U's account and she was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the material points.

Monzo has provided evidence that it received a report, saying that funds which entered Miss U's account was because of a scam. I've examined the report, and 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. I'd like to assure Miss U that I have reviewed this evidence impartially and objectively as my role requires.

Monzo asked Miss U to explain why she'd received the payment, so I'm satisfied that she was given a fair opportunity to explain her side. The response it got back was that the money was for a friend. However, Miss U didn't respond to Monzo when it asked for supporting evidence. If this was a genuine arrangement, and the information was limited, I'd expect her to have said so but to say nothing suggests it's more likely than not that she may have known the payment wasn't legitimate. Monzo decided to record the fraud marker. It also decided to retain it, after reviewing the case following Miss U's complaint and further information.

I've looked at the circumstances, and I don't find Monzo's position unreasonable. Ultimately, there aren't any details of the third party's involvement, and yet Miss U has described going as far as withdrawing cash for them and arranging to hand this over. Even accepting the limitations of Snapchat, I'm not persuaded Miss U wouldn't have any details about them or the linked arrangement.

I'm sorry but the circumstances as they stand suggest she's been complicit in receiving fraudulent funds and the evidence Monzo currently holds is enough. As part of my role, I

must look at what both sides have provided and consider the weight of the evidence. Here, although Miss U has attempted to explain things, I'm satisfied Monzo had sufficient information to support its actions that it believed Miss U had been complicit in receiving illegitimate funds, with the report it received, the account activity, and the lack of supporting information from her. It follows that I don't find recording the marker and closing the account was unfair (for completeness there's provision for that in the account agreement).

I understand how important this matter is to Miss U and I hope she's able to access support, but I must also look at the evidence objectively and these are my conclusions based on the available evidence. My decision brings to an end our review of this complaint.

#### Notes

The information Miss U has provided from Cifas suggests that the marker will fall off the Cifas database in July 2027, which would be next year.

#### **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 U to accept or reject my decision before 2 February 2026.

Sarita Taylor  
**Ombudsman**