

The complaint

Miss A complains Monzo Bank Ltd has recorded her personal details with Cifas – a fraud prevention database - and won't remove them.

What happened

Miss A's account received a number of payments in August 2025. Monzo later received notification these payments had been made fraudulently.

Monzo asked Miss A about the payments and asked that she provided evidence of her entitlement to the funds. After reviewing what Miss A's response, Monzo took the decision to close Miss A's account and she discovered it had registered her details with Cifas. So, she complained to Monzo. Monzo responded to say it hadn't made a mistake in registering the fraud marker.

Miss A referred her complaint to our service. An Investigator considered the circumstances. He said, in summary, he thought Monzo had registered the fraud marker fairly.

Miss A didn't accept the Investigator's findings. She said she hadn't been knowingly involved in fraud and hadn't benefitted from the money.

As Miss A didn't agree, the complaint's 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.

It's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

The marker Monzo has registered in Miss A's case is a "misuse of facility". In order to record a marker for misuse of facility, Monzo must be able to show a number of requirements have been met, including:

- 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.

Here, Miss A's account received payments which were later reported as fraudulent. Monzo contacted Miss A and it's provided the messages it exchanged with her about the payments. So, I'm satisfied it gave her an opportunity to explain what happened at this point.

Miss A told Monzo the purpose of the payments was “buying things”. She did not provide anything to show her entitlement to the funds.

Miss A later told Monzo as part of her complaint that she started receiving payments into her account from people she didn't know – including the payments Monzo had asked her about. She then says she was contacted via a messaging app asking Miss A to return the funds to the sender.

Our Investigator asked Miss A to provide evidence of the messages she'd received. Miss A said she didn't have any because the senders had deleted the messages after the payments had been made to them. This means Miss A is unable to provide evidence to substantiate her explanations about the initial contact and the reasons the scammer gave for needing Miss A to facilitate the payments. So, I don't have anything that sufficiently shows why Miss A was satisfied at the time what she was being asked to do was legitimate.

I find it unusual that Miss A started receiving payments from unknown people at random. It's not clear to me, based on what Miss A has told us, how her account details came to be in the possession of the scammer in order to send payments to it in the first place. And I don't find it likely an unknown third party would have chosen Miss A's account to use without first knowing they'd be able to retrieve the funds from there.

When transferring the payments back to the senders – Miss A was doing this via another account in her name at another financial business. When asked, Miss A said she did this because the scammer told her to. But because she can't provide the messages, there's nothing to substantiate this.

Miss A says the payments from unknown people had started in July 2025 and continued for about a month. I can see that Monzo also asked Miss A about two payments she'd received in July 2025 – but she didn't reply to its questions about these. Miss A told our Investigator she couldn't remember why she didn't reply to this contact. And when asked why she'd initially told Monzo that the August payments were for “buying things” – Miss A said she was worried about getting into trouble and didn't really understand what Monzo were asking.

Miss A said she didn't respond fully to Monzo's questions in August 2025 because she didn't understand what it was asking and she was worried about getting into trouble. But, if she had no reason to believe there was anything wrong with what she was doing, it's not clear to me why she wouldn't have told Monzo the truth about what happened and if she didn't understand, why she wouldn't have asked Monzo to clarify. Monzo also warned Miss A, in its message on 18 July 2025, not to accept payments from people she didn't know and not to send money on behalf of others.

Miss A has been inconsistent in her explanations. Initially not responding fully to Monzo's request for information and then mentioning the scammer after complaining. But not being able to provide anything to substantiate the scammer's involvement. The payments – which Miss A says started being made into her account unprompted – went on for a month and even after Monzo contacted Miss A about the July payments and warned Miss A against sending and receiving payments on behalf of others – she still didn't report matters to Monzo. Miss A's reluctance to respond to Monzo's questions and her comments about being worried about getting into trouble - suggest to me that she did have concerns about the activity she was being asked to undertake.

Overall, I find it more likely than not Miss A knew the payments were, or might be, fraudulent. And whether Miss A benefitted from the payments or not, her account received payments which were later reported as fraudulent. So, in these circumstances, I find Monzo has acted fairly in loading the Cifas marker.

Miss A has told us the Cifas marker has caused her significant distress and inconvenience, including making managing her finances difficult. I'm sorry to hear of the problems Miss A has had, but as I've found the marker was added correctly, I don't find Monzo need to remove it.

Miss A was also unhappy her account was closed. The terms and conditions of the account set out when Monzo can close the account with immediate effect. And I'm satisfied, in the circumstances, Monzo was entitled to do that here.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 21 April 2026.

Eleanor Rippengale
Ombudsman