

## The complaint

Mr O complains Monzo Bank Ltd recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly.

## What happened

Mr O received payments through bank transfers into his account at Monzo from a third party in February 2025. The funds were later used. However, the payments were reported to Monzo as being the result of a scam.

Monzo restricted the account and requested information to support why Mr O had been entitled to the funds. He said the funds were a gift from a friend. Monzo asked for some supporting evidence of this arrangement and Mr O sent screen shots of a WhatsApp conversation between him and allegedly his friend. Monzo had concerns about the information and filed a misuse of facility marker at Cifas, as it believed Mr O had been complicit in receiving fraudulent funds. It also closed the account. Mr O found out about the marker and complained that he'd not done anything to cause this. He said, the activity had come about because he had met someone online who asked him to help them receive a payment as they were having issues with their bank. He believed he was helping them and unaware there could be anything fraudulent involved.

Monzo reviewed the matter, but it didn't think it had made a mistake. Dissatisfied, Mr O contacted us and said the marker was affecting him financially and personally day to day. He said he was 17 at the time and incredibly naïve with no knowledge and experience of banking. He submitted that he'd made a bad decision but that didn't make him guilty of any offence.

One of our investigators reviewed the case and gathered some information. She acknowledged what Mr O had said but agreed with Monzo's analysis, that the WhatsApp evidence contained a false narrative and the name didn't match with the sender. She also noted Mr O didn't have anything to support what he now said had happened. Weighing everything and without any further evidence to show the payment wasn't fraudulent, she concluded Monzo had met the bar for loading the marker and there wasn't an error in closing the account either.

Mr O disagreed with the outcome on his complaint. He said Monzo hadn't given him an opportunity to explain things properly. He said he'd panicked and asked the person for help. He now understood he was being manipulated, and he regretted the decision deeply. He said he wasn't trying to deceive Monzo and was simply trying to respond with something it would accept, based on what he had in front of him.

He believed his age was a critical factor.

When an agreement couldn't be reached, the case was put forward for a 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.

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 Mr O 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 Mr O's account, whether they are retained or pass through the account. Secondly, the business will need to have strong evidence to show that Mr O 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 Mr O's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

Monzo has provided evidence that it received a report, saying that funds which entered Mr O's account was because of a fraud. Looking at what was reported, 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.

Monzo asked Mr O to explain why he'd received the payment, so I'm satisfied that he was given a fair opportunity to explain his side. The response it got back was that the money was from a friend as a gift. Monzo didn't find this satisfactory and decided to record the fraud marker. It also decided to retain it, after reviewing the case following Mr O's complaint and further information.

I've looked at the circumstances, and I don't find Monzo's position unreasonable. The fraud report details are compelling, and Mr O hasn't been able to demonstrate the claim against him was unfounded. He initially said the sender was a friend and sent evidence he knew not to be true. This heightened Monzo's concerns considering the nature of the fraud report. Latterly, Mr O has said he didn't know anything about fraud and was being manipulated. But he went as far as misleading Monzo, which I think he would have only done if he knew there were concerns about the legitimacy of the payments. This speaks to his complicity. I have had regard for his age, but there's nothing persuasive that I've seen that explains why he couldn't have been honest with Monzo when it first contacted him, as he says he's being now. Particularly, if he thought he was only helping someone.

As part of my role, I must look at what both sides have provided and consider the weight of the evidence. Here, although Mr O has attempted to explain things, I'm satisfied Monzo had enough information to support its actions that it believed Mr O had been complicit in

receiving illegitimate funds, with the report it received, the account activity, his initial submissions and the lack of credible information from him. It follows that I don't find recording the marker and closing the account was unfair (there's provision for that in the account agreement).

I understand how important this matter is to Mr O and I hope he's able to access support, but given the circumstances, I won't be asking Monzo to delete the marker. I'm sorry to give disappointing news but I must look at the evidence objectively and these are my conclusions based on the available evidence.

Mr O can contact Cifas to find out how long the marker will be held (if he hasn't already done so).

### **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 Mr O to accept or reject my decision before 12 January 2026.

Sarita Taylor  
**Ombudsman**