

The complaint

Mr A complains that MONZO BANK LIMITED recorded information about him on the Cifas national fraud database.

What happened

Mr A had an account with Monzo. In August 2024, Monzo decided to close Mr A's account – and reported details of the closure to the Cifas national fraud database. Dissatisfied Mr A complained to Monzo and referred the complaint to us. Our investigator looked at this and didn't think the complaint should be upheld. Mr A doesn't agree. The complaint has been referred 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.

I don't uphold the complaint. I'll explain why.

Monzo applied the marker against Mr A after he received a payment of £2,000 from a third party, who I'll call B. In order to file this marker, Monzo isn't required to prove beyond reasonable doubt that Mr A was guilty of fraud or a financial crime, but they must show there are grounds for more than mere suspicion or concern. There needs to 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.

In practice, this means the bank must be able to show that fraudulent funds have entered the customer's account, whether they are retained or pass through the account. And the bank will need to have strong evidence to show that the consumer was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. A marker shouldn't be registered against someone who was unwitting – there should be enough evidence to show deliberate complicity. And Monzo needed to carry out checks of sufficient depth and retain records of these checks. This should include giving the account holder the opportunity to explain the activity on their account in order to understand their level of knowledge and intention.

The main question for me is whether there's sufficient evidence to meet this standard of proof, to determine if Monzo was entitled to escalate its concerns.

Here, Monzo asked Mr A about the payment to B. Mr A told Monzo that B was his boyfriend and they'd sent him the money for bail. Mr A then attempted to transfer the money to another account in his name – Mr A told Monzo this payment was to his second account which he uses for urgent transactions. Monzo asked Mr A further questions about the money he received. He then provided a different explanation: he said that B was his best friend, and that B sent the funds to help Mr A's sister, who he says was subject to a court case in Nigeria. In response to our queries, Mr A has explained that the sister was in fact his cousin, and that he was told that B was her boyfriend. Mr A says he no longer has access to the

messages to and from his cousin from the time, as he's changed phone, and is no longer in touch with B. Mr A says that as he'd recently moved to the UK he didn't realise he shouldn't use his account to receive money for third parties – but he says he did this out of ignorance and feels the Cifas is an unduly harsh punishment.

Monzo has also provided information which it asks me I accept in confidence. Our rules allow me to accept information in confidence – examples of information I might receive in confidence include information about third parties and security information. Here, Monzo has submitted further details about the payment. I'm satisfied this information is sensitive and cannot be shared with Mr A.

I don't doubt what Mr A has said about the impact this has had on him and accept this has caused him real difficulties. Here, however, I need to consider whether Monzo acted fairly in recording the information with Cifas. Mr A has given Monzo and us inconsistent explanations about the nature of this payment and his relationship with B. I don't find what he says persuasive. Given everything I've seen, I can't say Monzo were wrong to have recorded information with Cifas. I don't uphold the complaint and I'm not going to tell Monzo to do anything further to put things right.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 May 2026.

Rebecca Hardman
Ombudsman