

The complaint

Mr A complains that Monzo Bank Ltd has recorded information with a fraud prevention agency.

What happened

In March 2025, Monzo told Mr A that it had closed his account. Mr A became aware that in doing so, Monzo had reported information to CIFAS – a fraud prevention agency. He complained about this in June 2025, but Monzo responded to say that it had acted correctly and would continue to record the information it had registered with the fraud prevention agency. Mr A then requested information relating to this matter as a DSAR with Monzo, in line with his rights under data protection law. Monzo responded to this in August 2025 – outside of the relevant timescales for it to do so.

Mr A brought his complaint to this service where Monzo made an offer of £75 for the impact of responding to Mr A's DSAR late. Mr A didn't accept this and so one of our investigators looked into the matter further. They found that Monzo was entitled to have recorded the information with CIFAS where there were sufficient reasons for it to do so. They acknowledged that Monzo had responded to the DSAR late but said that Monzo's offer of £75 was fair for this.

Mr A disagreed with the investigator saying (in summary) that Monzo had failed in the standard of proof required by CIFAS to place a marker with it and that failing to respond to the DSAR had prejudiced his ability to represent himself in his dispute. He added that he believed there was evidence that Monzo had mishandled his complaint and restated the disproportionate impact this was having on him. Our investigator responded to these points but didn't change the outcome they'd reached – so the complaint was passed to an ombudsman 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.

The marker that Monzo filed with CIFAS here is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. In order to file such a marker, CIFAS isn't required to prove beyond reasonable doubt that Mr A is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern.

On its website, Cifas 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 such that the member could confidently report the conduct of the subject to the police.”*

What this means in practice is that a business must first be able to show that fraudulent funds have entered Mr A's account, whether they were retained or passed through the account. Secondly, the bank will need to have strong and persuasive evidence to show that a consumer was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. But a marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show deliberate complicity. There's also a requirement that Monzo should be giving the account holder an opportunity to explain their version of events.

So, I need to consider whether based on all the information including the evidence Mr A has submitted whether Monzo had sufficient evidence to meet the standard of proof and load a marker for misuse of facility with Cifas. Having looked at all the information provided, I'm satisfied they did, and I say this because:

I've seen the evidence from Monzo that confirms it had concerns about incoming payments on 4 March 2025, which was followed by a notification from another bank on 6 March 2025 that Mr A had received payments as the result of a scam. This evidence is clear and persuasive.

This money was then quickly transferred out of the account using an electronic money provider that specialises in international transfers, with the remaining amount transferred into other accounts in Mr A's name.

Monzo asked Mr A some specific questions around purpose of the payment into the account and to provide context around the relationship you held with the person who transferred the funds to him. Mr A didn't answer these questions and, to date, has never addressed the specifics of the situation here. Any comments he has provided around this situation have been generalised statements that he hasn't used his account for fraudulent purposes. He hasn't provided either this service or Monzo with any credible and persuasive explanation of the reasons he received the payment or any relationship with the sender in a way that makes me think he may have been genuinely entitled to the money here.

Monzo also asked Mr A further specific questions around the purpose of the payments out of the account. Mr A only answered these with the word 'agents'. This was a point at which Mr A was given an opportunity to put his version of events forward and yet chose to respond with just a single word that wouldn't have given Monzo any reason to doubt the other evidence it had been provided around the circumstances here.

The requirements around banks recording markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. When I weigh everything up, I think this most likely exists here from reviewing all of the evidence.

Given the credibility and persuasiveness of the report that Monzo received from the other bank, along with the pattern of spending and Mr A's evasive and incomplete answers to the questions Monzo asked, I think it's most likely he allowed his Monzo account to be used for receiving fraudulent funds. The evidence satisfied me there were reasonable grounds to suspect that fraud had been committed and that Mr O was likely complicit in this.

I've considered all that Mr A has said about the impact this marker has had on him, but where I'm satisfied that Monzo was entitled to record the marker it did with CIFAS, it follows that I can't ask Monzo to remove it. Mr A has mentioned what he views as several inconsistencies with how Monzo has dealt with this situation after examining the DSAR he received. I've considered all he's said, but I've not seen anything to persuade me that Monzo isn't entitled to record what it has with CIFAS.

Turning now to how Monzo dealt with Mr A's DSAR request – it's not in dispute that it exceeded the limits set by the relevant regulations to respond within. For that it's offered £75 for the inconvenience caused which I think is fair. But I don't find that I can award anything further to Mr A here. Monzo has given Mr A a reasonable amount of information for him to understand why it has applied the marker here and it gave him an opportunity to put his version of events forward. So I don't find that he has been prejudiced in representing himself by the late response to this. It follows that while Monzo should pay him the £75 it's agreed to, I make no further award here.

My final decision

Monzo Bank Ltd should pay Mr A £75 for responding to his DSAR too late.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 January 2026.

James Staples
Ombudsman