

The complaint

Mr A complains that Monzo Bank Ltd loaded an adverse fraud marker against his name.

What happened

As the circumstances of this complaint are well known to both parties, I have summarised them briefly below.

Mr A held an account with Monzo. In January 2025, Monzo received a report from a third-party bank that Mr A's account was in receipt of fraudulent funds.

Monzo reached out to Mr A, asking him to prove his entitlement to those funds. Mr A responded to Monzo, telling it the money was owed to him by a friend. He eventually provided a screenshot of messages showing he'd sent a picture of the transaction from his Monzo account to an unknown third-party.

Monzo weren't satisfied with this response, so it decided to close Mr A's account and load an adverse fraud marker against his name on the Cifas database.

Mr A wasn't happy with this, so he complained to Monzo and asked it to remove the marker. But after a second review of the circumstances, Monzo found that it'd made no error in loading the marker.

Mr A remained unhappy, so he referred his complaint to our service for an independent review. An Investigator considered the evidence provided by both parties and concluded Monzo had made an error in loading the marker.

Monzo disagreed, so the complaint was passed to me to decide.

On 5 December 2025, I issued my provisional findings to both parties setting out that I intended to depart from the Investigator's conclusions. My provisional findings were as follows:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Was the recording of the Cifas marker fair?

One of the relevant considerations here is set out by Cifas: the fraud marker database controller. In its Handbook—which members must adhere to when loading markers—it sets out the burden of proof the member must meet. The relevant standards regarding this complaint are:

1. That there are reasonable grounds to believe that a fraud or financial crime has been committed or attempted.
2. That the evidence must be clear, relevant and rigorous.

My interpretation of these standards is that a member cannot simply load a marker

against an individual based on mere suspicion. It must be able to meet a higher bar; in that a customer was likely a witting participant in the alleged conduct. This has been reinforced by Cifas' Money Mule Guidance, which it released to its members in March 2020.

Having considered these standards, I'm satisfied that Monzo has been able to demonstrate the first of the above two standards has been met. While I am unable to disclose the exact details of the report Monzo received, it is clear there was a credible allegation of fraud by a third-party. And it can be confirmed that the funds stolen as a result of this fraud were paid, and further attempts were made, to Mr A's account.

I have also thought carefully about whether Monzo has demonstrated the second of the above two standards, in that the evidence is clear, relevant and rigorous that Mr A was likely a witting participant in the alleged conduct.

Mr A's proof of entitlement in this case is that he received the funds into his account from someone that owed him money. This testimony has changed from a friend to family member, and this change in testimony does render Mr A's testimony somewhat unreliable. I also find it unlikely that a friend or family member that was repaying a debt owed to Mr A would then report the payment as fraudulent after it was made.

Furthermore, Mr A provided a screenshot to Monzo as part of its investigation purportedly proving that he was expecting those funds. But the messages contained in that screenshot don't provide any context regarding the reasons why the funds were sent to him. They merely show that the £100 was being sent as a 'test' payment and Mr A sends a message back showing that the funds had entered his account. The screenshot has also been edited to crop out the sender's details and has features one would not expect from a screenshot directly from the messaging platform's application.

Mr A has been asked to provide our service with the full message history with the person he was corresponding with, but has refused to do so citing that due to 'disappearing messages' they no longer exist. This places further doubt over the reliability of these messages.

I also find the way in which these funds were sent to Mr A is suspicious in nature. The Monzo account in question was opened shortly before the funds were sent to Mr A. And the account had never been used prior to the receipt of the fraudulent funds. Further, as soon as the funds entered Mr A's account, they were immediately transferred out to another account in his name. This poses a question as to why Mr A chose to have the funds sent to this Monzo account, rather than being directed straight to the account he forwarded the funds on to. Many of the features I have highlighted are indicative of money laundering and intent to layer the proceeds of crime.

Monzo could have done a more thorough investigation here. For instance, it could have asked Mr A for further chat logs from the screenshot provided, or asked further questions regarding the responses given by Mr A. But overall, I find there is enough in this case to say that there is beyond mere suspicion that Mr A was wittingly complicit in the alleged conduct. And it is for that reason I find Monzo has sufficiently evidenced that it met the second burden of proof required to load a marker.

As Monzo has met the required standards here to load a fraud marker against Mr A, it's not reasonably to ask it to remove that marker."

Both parties were provided until 19 December 2025 to provide any further comment. As both parties have now responded, I'm able to issue my final 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.

In response to my provisional findings, Monzo had no further comment to add. However, Mr A, in summary, responded stating:

- His reference to his friend as a family member is due to the way in which people refer to friends in his culture.
- The screenshot was not edited, and he reiterated no longer having access to previous messages.
- He'd opened the account due to experiencing issues with his main account. He wanted to test this account was working and then moved it on to his main account once this test was successful.

I appreciate the time Mr A has taken to carefully breaking down his arguments for each of the points I have raised in my provisional assessment. I'd like to assure him I have read these carefully and considered them before issuing my final decision. But having done so, I don't intend to depart from my provisional findings.

Even with the explanations provided, I'm still persuaded that Monzo has met the burden of proof required to load the marker against his name. That isn't to say I am accusing Mr A of any wrongdoing; that goes beyond my role and that of this service. And I am not ruling out the possibility he has received the transaction in good faith and moved this on innocently.

However, the burden of proof sets out that a member must have more than mere suspicion that the customer had a witting involvement in the alleged conduct. And I find there is more than mere suspicion. I have set out in detail in my provisional decision why I am persuaded that is the case here. And Mr A hasn't provided any material new evidence that would allay the concerning features associated with the payments and evidence provided. He has not been able to provide me with any persuasive evidence that would prove, to a sufficient standard, that he took these funds and sent them on innocently, or, that he was entitled to the funds.

I am sorry to disappoint Mr A and understand the detriment this marker has caused him. But Monzo has correctly followed the guidelines set out by Cifas. I therefore cannot reasonably ask it to remove the marker.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 January 2026.

Stephen Westlake
Ombudsman