

The complaint

Mr A has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

Mr A opened an account with Monzo in January 2024. In May 2024 Monzo received a fraud report from one of their customers about 15 payments made into Mr A's Monzo account. These payments were for £1,400. They queried this with Mr A asking him to show he was entitled to this money. Mr A said he'd received this money from "a friend to go out and have a fun day".

Monzo felt this didn't match the other evidence they had so confirmed that they were closing his account. They also lodged a fraud-related marker on the CIFAS database.

In 2025 Mr A asked Monzo to remove the marker. Monzo confirmed they'd made an error in how they placed the marker so corrected that error and refused to remove the marker. They offered Mr A £50 for this small error.

Mr A brought his complaint to the ombudsman service.

Our investigator noted Mr A's evidence that he'd received money from a friend which was recompense for the costs of a good day out. She felt this was unlikely and contrary to the evidence submitted by Monzo which showed their customer who'd paid money into Mr A's account had been a victim of blackmail.

She felt that Monzo had enough evidence to lodge a CIFAS marker.

After receiving the view, Mr A has asked an ombudsman to review his complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

"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."

Monzo must be able to provide clear evidence that an identified fraud was being committed, and Mr A was involved. This means that they must have more than a suspicion or a concern that Mr A may be involved.

There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Monzo. This confirms that after being blackmailed and accused of certain sexual activities, their customer had sent 15 payments over four days into Mr A's account. These payments increased in value until on the final day payments of £100 and £200 were being sent.

In response to Monzo's query, Mr A confirmed these payments were from a friend to repay the costs of a day out.

It's important to note that at the time of these payments, Mr A was only 16 years old. I don't believe it's at all likely that he was going out and spending more than a thousand pounds on a day out. Nothing Mr A has said to our service backs this story up.

I've also seen copies of additional chats between the person who sent money to Mr A's account and a third party. It's clear from looking at Mr A's Monzo bank statements that Mr A had known and accepted payments from this third party previously. He's been unable to explain who this individual is or why this happened.

I appreciate he's told us that if he knew that anything dodgy was happening, he wouldn't have allowed his account to be used. But I'm afraid I don't believe Mr A.

I don't know what Mr A thought was happening or why he believed he was receiving all this money, but I think it's extremely unlikely that he didn't know this wasn't all above board.

Mr A has sent us pages constructed most likely with the assistance of AI which he thinks shows doubt about his involvement.

I don't agree. I believe intent and his involvement is demonstrated by his moving around of funds and withdrawing some at a cash machine. This clearly shows that he made use of money fraudulently gained. The rest was being retained in his account.

I'm not convinced by Mr A's evidence. I'm required to weigh up evidence and in this case I believe the evidence of chats from the person that was the fraud victim does show Mr A ended up benefitting from this.

I also note Mr A has provided evidence to show he sells small electronic devices at a massively-discounted price. I'm not sure why this is relevant and can only wonder how Mr A has access to these devices and is able to sell them at this price.

Overall, I think the evidence shows Mr A was in receipt of fraudulent funds and importantly knew that this was the case.

In accordance with the rules about lodging a marker, I have no choice but to accept that Monzo acted properly.

On this basis, I don't believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

As Mr A was young at the time of this fraud, this marker only remains on his record for two years.

Monzo offered £50 to Mr A. He will need to contact them to ensure those funds can be paid to him.

My final decision

For the reasons given, my final decision is not to uphold Mr A's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 February 2026.

Sandra Quinn
Ombudsman