

The complaint

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

What happened

Mr S opened an account with Monzo in November 2023. In January 2025 Monzo blocked Mr S's account after a large credit was paid into his account, and Mr S had attempted to transfer this. Their immediate concern was that Mr S was the victim of a scam. They then unblocked Mr S's account, and he transferred this money out to another account in his name.

Later that month Monzo received a fraud report from one of their customers about this payment that had credited Mr S's Monzo account. This payment was for £1,500. They queried this with Mr S asking him to show he was entitled to this money. Mr S said he'd given this money initially to somebody to buy car insurance for him, but when this wasn't possible, the money had been sent back to him.

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 May 2025 Mr S asked Monzo to remove the marker. Monzo confirmed they'd done nothing wrong and wouldn't remove the marker.

Mr S brought his complaint to the ombudsman service.

Our investigator noted Mr S's revised evidence after initially telling him she wouldn't be upholding his complaint. This included many chat transcripts with the individual who sent him this money. This suggests Mr S was encouraged to receive these funds, which he then sent on to this individual's girlfriend. Whilst she felt this was more likely than the story about car insurance, she felt it was clear that Mr S always suspected what was happening wasn't above board. As she felt Mr S had knowingly accepted fraudulent funds, she confirmed that Monzo had enough evidence to lodge a CIFAS marker.

After receiving the view, Mr S 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 S was involved. This means that they must have more than a suspicion or a concern that Mr S 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 one of their customers had complained about sending money to Mr S's account.

Based on the subsequent evidence Mr S has shared, it seems clear that this individual did send money to Mr S, and also raised this as fraud with Monzo. So, I have some sympathy with Mr S that he's a victim in this case.

I do think that Mr S has most likely been the victim of a malicious actor. However, it's clear that Mr S was involved with this individual and had allowed him to make a payment of £1,500 into his account. This is not an insubstantial amount of money.

The messages Mr S has translated for us clearly shows Mr S knew that he was involved in something fraudulent. Otherwise, he wouldn't have been passing on a story to Monzo about what had happened knowing that this story was false from the start.

This has all had a serious impact on Mr S. His employer is paying him in cash, and he's not had access to a bank account. On the other hand, he was involved in a fraudulent activity.

I think the evidence shows Mr S 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.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 February 2026.

Sandra Quinn
Ombudsman