

The complaint

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

What happened

Mr R opened an account with Monzo in September 2021. In September 2022 Monzo blocked Mr R's account after a few large credits were paid into his account. They were dissatisfied with Mr R's responses about the money he'd received.

Later that month Monzo received a fraud report from a customer of another bank about one of these payments that had credited Mr R's Monzo account. This payment was for £382.07.

Monzo confirmed that they were closing Mr R's account. They also lodged a fraud-related marker on the CIFAS database.

In November 2025 Mr R asked Monzo to remove the marker. Monzo confirmed they'd done nothing wrong and wouldn't remove the marker.

Mr R brought his complaint to the ombudsman service.

Our investigator noted Mr R revised his evidence after initially suggesting he'd been the victim of identity fraud. He subsequently confirmed he'd never suggested this account wasn't his but rather that Monzo were mistaken in thinking Mr R had committed fraud.

As our investigator felt Mr R had knowingly accepted fraudulent funds, she confirmed that Monzo had enough evidence to lodge a CIFAS marker.

Disappointed with this outcome, Mr R 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 R was involved. This means that they must have more than a suspicion or a concern that Mr R 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 they received a complaint from another bank's customer that someone had been sending money to Mr R for the purchase of car insurance which they'd never received.

Based on the subsequent evidence Mr R has shared, I note he's told us he had a personal relationship with this individual but was still unable to confirm his name or any other personal details. That said I note this individual claims he was purchasing car insurance from Mr R. I can also see from the history of Mr R's Monzo account use that he regularly purchases insurance. There are at least 10 insurance-related transactions made in less than three months. These are all for different amounts so I'm pretty sure these aren't regular direct debits. This makes me wonder exactly what Mr R was purchasing on other people's behalf. There's no indication he was a regulated insurance broker. So, it's difficult not to draw the conclusion that Mr R was involved in some sort of shady business.

I note Mr R has argued these disputed payments were from family to help with his regular outgoings. I can see there were regular transfers between himself and his wife but I'm not convinced by his evidence based on what else I can see about his account usage.

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

I think the evidence shows Mr R 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 R's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 March 2026.

Sandra Quinn
Ombudsman