

The complaint

Mr R complains Monzo Bank Ltd has recorded his personal details with Cifas – a fraud prevention database – and won't remove them.

What happened

On 5 March 2025, Mr R received a payment of £250 into his Monzo account. Monzo later received notification that the payment had been made fraudulently.

Monzo asked Mr R about the payment and asked that he provided evidence of his entitlement to the funds. After reviewing what Mr R told it, Monzo took the decision to close Mr R's account, and he discovered it had registered his details with Cifas. So, he complained to Monzo.

Monzo responded to say it hadn't made a mistake in registering the fraud marker.

Mr R referred his complaint to our service. An Investigator considered the circumstances. She said, in summary, she thought Monzo had registered the fraud marker fairly.

Mr R didn't accept the Investigator's findings. He said he'd agreed to receive payments for someone he trusted but he wasn't aware the payment was fraudulent.

As Mr R didn't agree, the complaint's been passed to me 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.

It's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

The marker Monzo has registered in Mr R's case is a "misuse of facility". In order to record a marker for misuse of facility, Monzo must be able to show a number of requirements have been met, including:

- 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.

Here, Mr R's account received a payment which was later reported as fraudulent. Monzo contacted Mr R and it's provided the messages it exchanged with him about the payment.

At this time, Mr R told Monzo the payment had been a friend of his repaying a loan. And he provided a screenshot showing messages between the two. This screenshot showed Mr R's account details being provided and then someone responding with a photo of the payment confirmation.

Mr R later told Monzo and our service, that he'd agreed to send and receive payments on behalf of someone he'd met in 2024 and was friends with. The friend told Mr R he was facilitating charitable payments. And Mr R had sent and received several payments for the friend via another of his accounts, before the disputed payment was made to the Monzo account.

Mr R opened the Monzo account on 5 March 2025. This was after Mr R had received contact from the provider of the other account, he'd been using to facilitate payments advising his account had been blocked.

Mr R says he now understands the friend was a scammer and was using Mr R's account to receive scam payments.

Mr R has provided the messages between him and his friend. The message thread is only partly in English, so I can't understand the whole conversation. But I can see that in some messages Mr R asked why his friend couldn't use his own account and seemed reluctant on occasions to facilitate payments. He also appeared to request copies of identification. This suggests to me that Mr R had concerns about the activity he was being asked to undertake.

Mr R told our Investigator he provided an incorrect explanation initially to Monzo out of fear of losing his account. But if – as Mr R says – he believed he was facilitating charitable payments at that point, it's not clear to me why he wouldn't have told Monzo this when he was asked about the payment.

Overall, I find it more likely than not Mr R knew the payment was, or might be, fraudulent. So, in these circumstances, I find Monzo has acted fairly in loading the Cifas marker. To be clear, I'm not making any finding on Mr R's involvement in the alleged fraudulent payment itself, just that Monzo has shown its registered the fraud marker correctly.

Mr R has argued that Monzo returned some of the money in the account to him, and if that's the case, it can't then justify the Cifas marker. The reasons for this money being returned to Mr R are unclear but even if Monzo did this in error, I remain satisfied the Cifas marker has been applied fairly for the reasons I've already explained.

Mr R has told us the Cifas marker has caused him significant distress and inconvenience, including impacting jobs available to him. I'm also aware that Mr R had an unwell family member at the time as well. I'm sorry to hear of the problems Mr R has had, but as I've found the marker was added correctly, I don't find Monzo need to remove it.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 April 2026.

Eleanor Rippengale
Ombudsman