

The complaint

Mr B complains that Monzo Bank Limited loaded a negative fraud marker against him on the National Fraud Database. He'd like it removed and compensation for the impact.

What happened

Mr B had an account with Monzo.

In January 2025 Mr B received several payments into his Monzo account from the same payee totalling £207.90.

Shortly after the payments credited Mr B's account Monzo received a fraud report regarding the payments. They decided to close Mr B's account and load a negative fraud marker against him on the National Fraud Database.

Mr B complained to Monzo and asked them to review the marker. Monzo considered what Mr B had said but thought they'd acted fairly, so didn't uphold his complaint.

Mr B brought his complaint to our service and explained the payments had been received as he'd sold a tablet computer. One of our Investigators looked into Mr B's complaint but didn't uphold it. They asked Mr B for evidence of purchase and sale of the tablet, and any messages between him and the buyer but Mr B wasn't able to provide anything to support his version of events.

Monzo didn't respond.

Mr B didn't agree, in summary he added:

- He doesn't think the standard of proof has been met to load a marker.
- His explanation for why he received the funds has remained consistent throughout.
- He accepts his record keeping was limited, and it was an informal transaction but this doesn't amount to deliberate dishonesty or knowing participation in fraud – and poor evidence doesn't demonstrate he was complicit.
- He doesn't think Monzo's actions are proportionate and it's negatively impacted his mental health.

As Mr B didn't agree it'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.

Our Investigator explained the standards Monzo need to meet before loading a negative fraud marker on the National Fraud Database, so I won't repeat this here. In summary they

need to have clear, relevant and rigorous evidence that a fraud or financial crime was committed, and Mr B was complicit in receiving the funds.

I've seen a copy of the notification Monzo received regarding the fraudulent credits – and I'm satisfied this shows a financial crime was committed. However, this isn't sufficient on its own to say it's fair for Monzo to load a negative fraud marker. They also need to show on balance that Mr B was complicit in receiving fraudulent funds. I haven't seen any evidence to show Monzo contacted Mr B to discuss the fraudulent funds as they are required to do under the relevant rules. However I'm satisfied it was fair for them to conclude he was complicit, I say this because:

Mr B explained he received the funds in payment for the sale of a tablet. For me to conclude that Mr B innocently received the fraudulent funds I need to see evidence of Mr B purchasing and selling the tablet. I'd expect this to include a purchase receipt or a bank statement showing the payment made, an advertisement for the item, communications between him and the buyer and a delivery receipt. Mr B has explained that he only has very limited evidence because when he initially bought the tablet he collected it in person, he paid in cash and all communication took place via a social media site which deletes messages after 24 hours. The only piece of evidence Mr B's been able to share is a photograph of a tablet.

Mr B added that he accepts his record keeping was limited because it was an informal transaction but argues this doesn't amount to knowing participation in fraud. I'm afraid I find the lack of evidence Mr B's able to supply to demonstrate he sold a tablet very surprising. I can accept the absence of some evidence, however Mr B's been unable to supply anything showing his purchase or delivery of the tablet nor communications between him and the buyer. He's shared a photograph of a tablet, but I'm not satisfied this shows ownership of a tablet at the time of the described advert.

I acknowledge that the negative fraud marker has impacted Mr B's mental health however I'm afraid the lack of evidence he's been able to provide leads me to conclude that he was *complicit* in receiving the fraudulent funds. It follows I'm satisfied Monzo acted fairly in loading the marker, and I won't be asking them to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 April 2026.

Jeff Burch
Ombudsman