

The complaint

Mr C complains that Monzo Bank Ltd ('Monzo') registered a fraud prevention marker against him, without due cause.

What happened

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But, in summary, Mr C received funds into his Monzo account which were later reported by the sender as being sent as a result of a scam. Monzo asked him to provide proof of entitlement to the funds and asked general questions about his account activity and were not satisfied with his responses. So, they closed his account and registered him with Cifas for misuse of facility.

Mr C was not happy and complained to Monzo who declined to uphold his complaint. It said that it had undertaken a review of the decision to load Mr C to Cifas and found that it had followed the correct procedures and so would not be removing the marker.

Remaining dissatisfied, Mr C brought his complaint to our service where one of our investigators looked into what had happened. They did not recommend that the complaint should be upheld on the basis that they felt that Monzo had demonstrated that the burden of proof had been met to load Mr C with a Cifas marker. Mr C did not agree, and so this case has 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.

Having done so, I have reached the same overall conclusion as our investigator and for broadly the same reasons.

Monzo, as Cifas members, are obligated to share the details of customers who it has reasonable grounds to believe have been involved in the commission, or attempt to commit, fraud or financial crime. There must be '*clear, relevant and rigorous*' evidence in support of any fraud submissions made by members to Cifas about their customers. The type of Cifas marker loaded against Mr C was for 'misuse of facility'. This relates to a customer's account being used to receive and send on fraudulent funds.

Cifas do accept that there are some circumstances where an individual may be duped into becoming what is known as a 'money-mule', and so its guidance does require members to speak to their customers to determine whether they were witting or not. It further requires members to have enough evidence to show that the consumer was aware that they payment they were receiving was, or might be, from an illegitimate source – though they do not need to know the exact provenance of such funds.

So, the relevant findings for me to make are whether I believe there is sufficient evidence for Monzo to fairly conclude than on balance, firstly, that the money sent to Mr C was as a result

of a fraud; and secondly, that Mr C was aware that the funds he received were or might be from an illegitimate source. If I think this is the case, it would follow that it was fair and reasonable for it to escalate its concerns about Mr C to Cifas. Having considered everything, I do think that Monzo were entitled to reach the conclusions it did and refer Mr C to Cifas. I will explain why.

Mr C disputes that the payments were sent to him as a result of a fraud. He says that his friend asked him to receive funds into his account for his football academy as a third party was lending him money to buy some equipment. He shared messages between his friend and the third party which he says showed the agreement that they made. Mr C said that his friend owed him money too, so he was told he could keep some of the funds he was sent to repay him. He said he assumes that his friend and the third party had some kind of falling out, and that is why they reported the transactions as fraudulent and that he had been caught in the crossfire of the dispute.

I have carefully considered Mr C's version of events, and the supporting evidence of the messages which he provided against the evidence from the sending bank. On the first question, I do believe that it is more likely than not that the funds were sent as a result of a scam. Whilst I cannot go into much detail for data protection reasons, the sender has sent evidence which suggests that the money was sent as a result of a purchase scam – and I do not find the screenshots of messages particularly convincing against evidence given to her bank. I say this because it is not clear in the messages what the money is being sent for, or what the agreement is between the two parties – if one of them indeed is the sender of the funds at all. Further the person sending the messages in these does appear to be putting pressure on the sender to transfer funds – with the sender even saying she has already sent her rent money and that it is her child's birthday next week. These sorts of messages would not be uncommon to be part of a scam. So, when considering all of the available evidence, I think it is more likely than not that the funds were sent as a result of a scam.

On the second question – whether Mr C was aware of might be aware the funds were from an illegitimate source – I think that this bar has been met too. I say this because I have not seen a plausible explanation for why someone setting up a legitimate football academy would need their friend to receive funds for them in order to then send them on. One would assume the friend or the academy would have a bank account – and so it would not be clear why they could not receive the funds in the first instance. Mr C said his friend owed him money so he was allowed to keep some of the funds – but Mr C also said that the sender thought they were sending money to support the academy. If both of these things were true, Mr C would have known that the friend was deceiving the sender. I have seen no evidence of what was discussed or agreed between Mr C and his friend which would convince me that he was totally unwitting here. And so it follows that Monzo Bank Ltd acted fairly in loading this Cifas marker, and I will not be directing it to remove it.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 March 2026.

Katherine Jones
Ombudsman