

## **The complaint**

Miss B is unhappy with the action taken by Monzo Bank Ltd to close her account and record her details with Cifas – a fraud prevention agency.

## **What happened**

Miss B says she needed money for a visa extension and borrowed £4,000 from a family friend, who I'll call "S". The statements show S sent £2,000 in February 2025 and £2,000 in March 2025. In June 2025 Monzo received information that the credits were fraudulent so they contacted Miss B to ask her for further information about her entitlement to the funds. Miss B didn't reply as she says she was busy at the time.

Shortly afterwards Monzo made the decision to close Miss B's account and they also applied a Cifas marker against her name. Miss B was unhappy about this so she raised a complaint. She maintained that she wasn't involved in anything untoward.

Monzo didn't uphold the complaint and said they wouldn't be removing the information with Cifas.

Our investigator didn't uphold the complaint. She said Monzo contacted Miss B via its chat service on 11 June 2025 and 25 June 2025 regarding the account activity, but Miss B didn't respond, so she was satisfied Monzo gave Miss B the opportunity to explain what had happened.

Miss B told our service she'd received the money from S for a personal loan to help pay for her visa extension fees. Our investigator asked for evidence such as message exchanges to support this but Miss B said she couldn't because the loans had been discussed verbally as she already knew and trusted S.

Miss B also said S wanted repayment of the loans earlier but again couldn't evidence this and she said S became unresponsive. But our investigator didn't find it plausible if S was seeking repayment of the funds, he'd become unresponsive.

Our investigator noted Miss B had S' bank statements and passport which she thought was concerning. Initially Miss B said she had this information to satisfy herself about the legitimacy of the funds - although our investigator said it appears inconsistent with what she'd said about the informal nature of the loan.

However, Miss B later said S voluntarily provided his personal documents after she messaged him seeking reassurance the funds were legitimate following Monzo raising its concerns with her. Our investigator pointed out Miss S' testimony was contradictory here.

Miss B explained her previous wording that S provided his documents as part of the loan agreement was not her intention. As Miss B was now suggesting S provided his documents at a later date, our investigator asked Miss B to provide messages she sent S but these were not time stamped nor were the messages a complete picture of the conversations that had taken place.

Miss B showed our service evidence her visa was due to expire in September 2025 but the funds from S were received on 28 February 2025 and 2 March 2025. Our investigator concluded the funds were not necessarily required for the purpose of Miss B's visa costs.

Our investigator remained of the opinion the complaint shouldn't be upheld. As Miss B didn't agree, the complaint has been passed to me to consider.

### **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.

The marker Monzo has registered in Miss B'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

I can see that Miss B received credits into her account for £2,000 in February 2025 and March 2025. Monzo were notified the credits were fraudulent in June 2025 so I'm satisfied it had cause for concern about Miss B's account activity.

Monzo has provided evidence to show it reached out to Miss B on 11 June 2025 and 25 June 2025 to ask her further questions, but Miss B didn't respond. Miss B says she didn't respond at this time because she was busy. Although I appreciate this may have been the case, as the account holder the onus would have been on Miss B to reply to Monzo and this isn't Monzo's fault. Like the investigator, I'm satisfied Monzo gave Miss B the opportunity to explain what had happened, but she failed to do so.

Miss B told our service she'd received the money from S for a personal loan to help pay for her visa extension fees and this was to be repaid over a period of six months. I've seen copies of messages between Miss B and S which confirms he's sent the money and I've also seen messages where Miss B has chased S – but these aren't particularly detailed nor do they show what the funds were for.

Our service asked for evidence such as message exchanges to support the funds were for her visa extension but Miss B said she couldn't because the loans had been discussed verbally as she already knew and trusted S. Miss B has described S as being a family friend's friend so it didn't sound like she was overly familiar with him. But even if she did trust S, I find it unusual that she hasn't been able to provide anything at all to substantiate her claim the funds were a loan from S. And it does appear they were conversing over written messages which shows their contact was not exclusively verbal.

Miss B also said S wanted repayment of the loan funds earlier but again, she couldn't evidence this. I think it would be fair to expect Miss B to provide some sort of evidence to show S was asking her for repayment, but she hasn't been able to show this.

Miss B has also said S became unresponsive. But I don't find it plausible that if S was seeking repayment of the funds he'd become unresponsive. I'd have expected him to be proactive in asking Miss B for his money back rather than not replying to Miss B at all.

Our investigator noted Miss B had S' bank statements and passport which she thought was concerning. Initially Miss B said she had this information to satisfy herself about the

legitimacy of the funds. In her complaint form Miss B said S provided this information “when” the loan was discussed. I think having S’ passport and bank statements when the loan was agreed appears inconsistent with what Miss B said about the informal nature of the loan and that she trusted S – so this casts doubt over Miss B’s testimony.

However, Miss B later said S voluntarily provided his personal documents after she messaged him seeking reassurance the funds were legitimate following Monzo raising its concerns.

So the two versions Miss B has put forwards contradict each other. On the one hand Miss B is saying she had S’ personal documents upfront when the loan was agreed but on the other hand she’s saying she only had sight of these after Monzo raised concerns about the legitimacy of the funds.

When questioned on this, Miss B explained her previous wording (that S provided his documents as part of the loan agreement) was not her intention. So she is essentially saying that she didn’t have sight of S’ documents when the loan was agreed. But I struggle to accept Miss B changing her testimony particularly as there was no ambiguity in her complaint form. I also find it strange because Miss B has said S was unresponsive so this raises the question as to why S would be engaged in reassuring Miss B the funds were legitimate but at the same time he was unresponsive, even though he wanted his money back.

When Miss B changed her version of events to say that S provided his documents at a later date, she said he’d done so because she messaged him. Our investigator asked Miss B to provide messages she sent S.

Miss B said these messages were sent around the time Monzo contacted her and that the attachment within the messages was the information Monzo had sent to her regarding the funds. However, these messages were not complete or time stamped and it didn’t show anything to support her testimony. Miss B also said she couldn’t provide any time stamped messages as she has recently changed her phone. But in the absence of such information, I am not persuaded by Miss B’s testimony.

Miss B showed our service evidence her visa was due to expire in September 2025 but the funds from S were received on 28 February 2025 and 2 March 2025. So it does seem the payments received were made approximately six months before the visa was due to expire which seems quite far in advance. So I am not persuaded that the funds were necessarily required for the purpose of Miss B’s visa costs.

Taking everything into account, Miss B hasn’t been able to provide sufficient evidence to show why she received the funds and she can’t substantiate her entitlement to the funds she received. In addition to this Miss B’s testimony has changed and has been contradictory which casts doubt over her credibility in recalling the events. Weighing everything up I’m not persuaded by what Miss B has told us and I find it more likely than not that she was aware of the fraudulent funds.

In these circumstances, I’m satisfied this means Monzo was entitled to register the marker with Cifas. To be clear, I’m not making any finding on Miss B’s involvement in the alleged fraudulent payment itself, just that Monzo has shown it’s registered the fraud marker correctly.

Miss B has said she never had access to or use of the funds from S so she therefore didn’t benefit financially. I should explain that despite this Monzo can still register a Cifas marker if

the test (as explained above) has been met. So it follows that I still won't be asking Monzo to remove the Cifas marker.

Miss B has told us the Cifas marker is causing her distress and inconvenience. I accept Miss B likely has experienced distress and inconvenience as a result of the Cifas marker, but as I've found Monzo have not made a mistake in registering it, I can't fairly require it to remove the marker.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 6 May 2026.

Marie Camenzuli  
**Ombudsman**