

The complaint

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

What happened

Mr U had an account with Monzo.

On 2 June 2025 Mr U received a payment of £50 into his account. Soon after receiving the funds Mr U transferred them out to another account in his name.

Later in June Monzo received notification that the £50 had been reported as fraudulent. They contacted Mr U to ask his reasons for receiving the funds and any proof of entitlement he could provide. Mr U responded to say he'd received the funds for 'online rent' and he'd given the sender extra money so they gave it him back. He also uploaded a screenshot however this isn't readable.

Monzo didn't accept Mr U's explanation for the funds so closed his account and loaded a negative fraud marker against his name.

Mr U complained to Monzo and asked them to remove the negative fraud marker. But Monzo reviewed Mr U's complaint and thought they'd acted fairly.

Mr U wasn't satisfied so complained to our service.

Mr U explained that he was added to a social media account and was given the opportunity to earn some extra money, in the form of commission, by sending and converting funds to cryptocurrency. He explained that he didn't know if it was legal or not.

One of our Investigators looked into Mr U's account. Mr U provided some messages from the 'scammers' and evidence of a cryptocurrency account. Our Investigator was concerned that Mr U gave Monzo a different explanation for originally receiving the funds and wasn't satisfied that the evidence he'd supplied showed he'd been manipulated into moving fraudulent funds on.

Mr U didn't agree and supplied further evidence of cryptocurrency activity – but our Investigator wasn't satisfied this was sufficient to show Mr U wasn't complicit in receiving them.

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 U was complicit in receiving the funds.

I've seen a copy of the notifications 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 Revolut to load a negative fraud marker. They also need to show on balance that Mr U was complicit in receiving fraudulent funds. Having considered this I'm satisfied it was fair for them to conclude he was; I say this because:

- When Mr U first responded to Monzo regarding the fraudulent payment and explained that it was received for 'online rent'. He explained to our Investigator that he was worried Monzo would close his account if he was honest. I struggle to understand why Mr U would be concerned about this if he believed the activity was a legitimate way of earning money. I also can't ignore that Mr U himself told our service that he wasn't sure if this activity was 'legal or not'. Even if I accept Mr U's explanation that he was given the opportunity to earn money via commission when converting and transferring money to cryptocurrency I'd also need to be satisfied he didn't realise this activity was likely illegal. For the reasons I've outlined above it's not possible for me to safely conclude this.
- Mr U has shared a small number of messages from individuals he claims were 'scammers'. I can see that the messages do refer to the possibility of earning commission, and they do partially support Mr U's version of events. However, there are several gaps in the evidence he's supplied. The majority of the messages don't have a date, and the only one which does is dated ten days *after* the fraudulent payment was received. This means it's very difficult to tie the messages to the fraudulent payment Mr U received. There's also no evidence these messages were sent to Mr U, or alternatively he was part of a group chat in which these messages were exchanged. I'm afraid for these reasons I can't place much weight on the messages or accept they demonstrate Mr U was encouraged and took part as an innocent party in moving on these funds.
- Mr U's also shared screenshots from a cryptocurrency account. However, I can't see evidence of the fraudulent funds coming into Mr U's cryptocurrency account and then being moved on to a third-party wallet. The only evidence I've seen of cryptocurrency being sent seems to show funds being *sent* to Mr U, not from Mr U to other parties.

I acknowledge that the negative fraud marker is making it challenging for Mr U to open a bank account and receive his salary. However, I'm afraid for the reasons I've outlined above I can't fairly conclude that Mr U wasn't complicit in receiving the funds. It follows I'm satisfied Monzo acted fairly in loading a negative fraud marker against Mr U, and I won't be asking them to do anything further.

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 U to accept or reject my decision before 18 May 2026.

Jeff Burch
Ombudsman