

## The complaint

Mr M complains that Monzo Bank Ltd unfairly placed a fraud marker against his name and closed his bank account.

## What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr M had an account with Monzo which he opened in 2021.

On 31 May 2025, Mr M received a payment into his account, for £700 from an individual I will refer to as K. Mr M immediately transferred the funds to his savings pots. He then transferred some of the money to three individuals including his girlfriend and spent some of the funds.

Following this Monzo were notified by another bank that one of their customer's had been a victim of a scam and that the £700 payment was fraudulent. So, Monzo placed a block on Mr M's account.

Monzo contacted Mr M via email and its banking app on 31 May 2025 and 1 June 2025. and asked him to explain why he'd received the £700 into his account. But Mr M didn't respond. Following this Monzo closed Mr M's account immediately and applied a 'misuse of facility' marker with Cifas.

Mr M discovered Monzo had loaded a Cifas marker against him after he had trouble opening another bank account. Mr M contacted Monzo in January 2026 and said that he had been coerced into receiving the money from an individual I will refer to as R. Mr M says R instructed him where to send the money and he sent funds to two people in similar amounts. He said he felt scared and pressured into receiving the money and sending it on because R knew where he lived.

Monzo reviewed the information from Mr M. But after a second review of the Cifas loading, they made the decision to keep it in place as they'd correctly followed their internal procedure. In summary Monzo said:

- The reported funds were rapidly exited by Mr M and spent.
- The standard of proof for the marker type is met when it can demonstrate that the customer ought to have thought, suspected or known that the funds they received might not be legitimate. In this case, Mr B being asked by someone to rapidly move a payment through his account and into other accounts, ought to have caused such a thought or suspicion.
- If Monzo met the standard of proof required by Cifas, it is obligated to load the case to the National Fraud Database in order that the intelligence on a high-risk individual is shared with other financial institutions and external law enforcement.

Mr M remained unhappy, so he brought his complaint to our service where one of our investigators looked into it. The investigator asked Mr M to provide more information about what had happened. In response, Mr M said he didn't have any evidence to support that he'd been coerced as it had all happened in person. He said he never knew the money was fraudulent and thought he was just helping someone out by allowing them to send money to his account.

Our Investigator thought Monzo had fairly applied the Cifas marker. And that Mr M had benefited from the fraudulent funds. The investigator also thought Monzo had acted reasonably by closing Mr M's account, as the terms and conditions allow them to do so if they suspect criminal activity.

Mr M didn't accept the investigator's findings. In short, he said:

- He was coerced into receiving the funds by R and he felt extremely scared and pressured.
- He didn't think he was doing anything wrong because R told him he had problems with his own bank account, so thought he was simply doing R a favour.

The Investigator considered what Mr M said but their position remained the same – that being it would be unfair for the Cifas marker to be removed. The investigator added:

- The activity on Mr M's account didn't support his explanation – that he hadn't benefited from the funds.

Mr M remained unhappy. In summary he said:

- He is really struggling without a bank account.
- He thought he was just helping someone who was stuck. And he had no idea the money was fraudulent. Nothing felt suspicious to him at the time.
- At the time, whenever money was deposited into his account (for example, benefit payments), he would usually transfer it straight away into a separate "pot." He did this because he did not have access to his bank card, as his brother had it. When he needed to make a payment, he would transfer the money back from the pot into his main balance.
- Regarding the £100 sent to his girlfriend. If the investigator reviewed his account history, they would see that he and his girlfriend have transferred money to each other regularly over the years.
- The £100 would have come from his Universal Credit payment, which he would have received around the 24th or 25th of May, which he would also have transferred into his pot before using it.
- As for the payments to the other two people, these were the account details he was given by R. R told him the accounts belonged to him and his girlfriend, and he asked him to transfer the money to them. He had honestly forgotten about this until now, as it was nearly a year ago, and the entire situation has been very stressful.
- All his contact with R was in person or quick calls, so he doesn't have messages or records left. He changed his phone and Apple ID afterwards to make sure R couldn't get in touch again, and he hasn't heard from him since. He didn't go to the police right away because he was still scared and didn't fully understand what had happened until later.

As no agreement could be reached the matter has come 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.

The marker that Monzo recorded against Mr M is intended to record that there's been a 'misuse of facility' – in this case using an account to receive fraudulent funds. In order to file such a marker, Monzo isn't required to prove beyond reasonable doubt that Mr M is guilty of a financial crime, but they must show there are grounds for more than mere suspicion of concern. Cifas guidelines say:

- There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; and
- The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police

What this means in practice is that the bank must first be able to show that fraudulent funds have entered Mr M's account, whether they are retained or pass through the account.

Secondly, the bank will need to have strong evidence to show that Mr M was deliberately dishonest in receiving the fraudulent payment and knew it was or might be an illegitimate payment. This can include Mr M allowing someone else to use his account in order to receive an illegitimate payment. A marker should not be registered against someone who was unwitting, there should be enough evidence to show deliberate complicity. There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

Here Mr M received funds into his account that were confirmed by another third-party bank to have originated from fraud. The bank reported that their customers had fallen victim to scams.

Monzo told Mr M that they had concerns about the money that had been paid into his account by K. Monzo asked Mr M to send them evidence of where the funds had come from and proof that the money belonged to him. Mr M didn't respond. So, Monzo sent him a chaser. But again, Mr M didn't answer. Monzo also gave Mr M a third opportunity in December 2025 to provide it with information. But Mr M didn't respond until January 2026. At this point he told Monzo he had been coerced into receiving the funds and hadn't benefited from the money, but he didn't have any evidence to support his explanation – which is what he's told our service.

So, I need to consider whether based on all the information including the evidence Mr M has submitted to us, whether Monzo had sufficient evidence to meet the standard of proof and load a marker for misuse of facility with Cifas. Having looked at all the information provided, I'm satisfied they did, and I say this because:

- I've seen the evidence from Monzo that confirms they were notified by another bank that the money Mr M received from K, originated from fraud.
- It's difficult to assess what's the genuine story because until recently Mr M hasn't provided any evidence to back up how he came to receive fraudulent money into his account.
- When Monzo reached out to Mr M and asked him to provide information about why £700 had been paid into his account, Mr M didn't respond. Mr M said he didn't see the email and messages Monzo sent to him on 31 May 2025 and 1 June 2025. However, from looking at technical evidence Monzo has provided I can see that Mr M

logged onto his banking app on 31 May 2025, 1 June 2025 and 3 December 2025. So, I am satisfied that the messages would have been clearly visible to Mr M.

- I've also listened to three recordings of phone calls Mr M had with Monzo on 13 June 2025, 16 June 2025 and 25 July 2025. I think it would have been reasonable for Mr M to have provided Monzo an explanation about why he'd received the fraudulent money into his account during the calls. Especially because at the time of these calls Monzo had decided to close Mr M's account immediately but he didn't do so. All he was concerned about was retrieving his closing balance.
- I've also kept in mind that Monzo gave Mr M another chance to explain why he'd received the £700 on 3 December 2025 – which was after Mr M had discovered the Cifas marker had been recorded against him in November 2025. Given the impact a Cifas marker can have I can't think of a reasonable explanation why Mr M didn't tell Monzo he been coerced into receiving the money at this time. It just doesn't make sense. And it leads me to doubt the creditability of Mr M's version of events. This is compounded by the complete lack of evidence from Mr M.
- In order to look at the issue, I've looked at Mr M's account statements. Mr M told us that he was coerced into the situation, in that case I wouldn't expect him to have profited from the money he was moving around. The statements show at the time the funds were reported as fraudulent Mr M immediately moved the £700 into his pot and then went on to send funds to an individual Mr M has confirmed is his girlfriend, and two other people (at the direction of R). But Mr M also spent some of the money at a supermarket.
- Mr M said he was told by the person who was intimidating him to send the money on to two individuals, which may or may not be the truth. But using his own card to make purchases and send money to his girlfriend after receiving the funds is difficult to argue it was for someone else or as a result of being coerced. Why would someone who was coercing Mr M be happy he was spending the funds on himself?
- Mr M hasn't provided any evidence to support his story, and there's no real evidence of his connection or involvement with the individual he says coerced him, so I find it's difficult to take it into consideration, and give what Mr M has said much weight.

I do sympathise with Mr M's circumstances and the impact the marker is having on his day-to-day life. But I must also look at the evidence objectively and decide whether Monzo acted fairly at the time it decided to load the marker. Overall, I am not persuaded by Mr M's story, and I am satisfied Monzo met the requirements of Cifas to lodge the marker. I've not found anything that would suggest it's appropriate to ask them to remove it prior to the relevant removal date.

In summary, the requirements around banks lodging markers at Cifas include there being sufficient evidence that the customer was aware and involved in what was going on. Mr M has received funds into his account that have originated from fraud. He has been unable to provide any corroborative evidence to support his testimony that he is an innocent party of the transfer of the funds and was unaware of their origins. I also find that the suspicious circumstances of the movement/use of the money and explanations provided by Mr M about what he did with the money adds weight to this argument.

#### *Did Monzo close Mr M's account fairly*

Monzo is entitled to end its relationship with a customer, as long as this is done in line with the terms and conditions of the account and is what I consider to be fair and reasonable.

Monzo's account terms set out it can close a customer's account immediately where it believes they have broken the law, breached the account terms, or put it in a position where it might break the law.

Here Monzo received a report that the account was in receipt of the proceeds of crime. So, this met more than one of its conditions for immediate closure. I also find that had Monzo not closed the account immediately, it would have been in a position of risk in allowing the account to potentially continue operating illegally.

For these reasons I find that the closure and notice provided were fair in the circumstances.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 April 2026.

Sharon Kerrison  
**Ombudsman**