

The complaint

Mr S complains MONZO BANK LIMITED trading as Monzo has recorded his personal details with Cifas – a fraud prevention database – and won't remove them.

What happened

In April 2024, Mr S received three payments into his account. Monzo later received notification that these payments were fraudulent.

Monzo asked Mr S about the payments. Mr S told Monzo the payments were for money owed to him.

Monzo decided to close Mr S' account and he discovered it had registered his details with Cifas. So, he complained to Monzo. Monzo responded to say it hadn't made a mistake in registering the fraud marker.

Mr S referred his complaint to our service. An Investigator considered the circumstances. He said, in summary, he thought Monzo had registered the fraud marker fairly.

Mr S didn't agree with the Investigator's findings. He said that just because he didn't have any evidence of the conversations he'd had with the senders of the payments didn't mean he'd done anything wrong.

As Mr S didn't agree, the complaint'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.

It's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

The marker Monzo has registered in Mr 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.

Here, Mr S' account received three payments which were later reported as fraudulent. Monzo contacted Mr S and it's provided the messages it exchanged with him about the payments.

Mr S told Monzo when he was asked that the payments were money owed to him.

When Mr S first referred his complaint to our service he said he'd sold car parts on behalf of acquaintances, he said "I acted as an unwitting intermediary, passed the value on promptly and retained no benefit".

Mr S told our Investigator the payments were for the sale of car parts which he'd advertised for sale on social media. And that he moved the money to another account in his own name for saving/investment purposes. Mr S has told us he no longer has any messages he exchanged with the buyers, nor can he provide anything to show he advertised the car parts for sale.

We asked Mr S to clarify whether anyone else was involved in the payments and he said there wasn't – the car parts were his and he'd sold them himself. When asked why he'd mentioned an acquaintance and talked about passing the money on – Mr S said he'd used "poor wording" due to the stress of the situation, and he'd asked a friend to help him which had also contributed to the inconsistencies.

I find it unusual that Mr S has nothing to substantiate what he's told us about advertising car parts for sale online and arranging for the buyers to collect them in person. The payments in question took place on 5 and 6 April 2025 and Monzo contacted Mr S on 6 and 7 April 2025 to ask him about the payments. So, I find it particularly unusual that it seems Mr S deleted anything to do with the sales immediately.

I also find it unusual that Mr S described the payments as being money owed to him initially to Monzo, instead of saying what he's now said about selling the car parts. And mentioned the involvement of "acquaintances" but now says this was "poor wording". All this means Mr S has been inconsistent about the purpose of the payments and about whether other people were involved. Mr S says he hasn't been inconsistent, but because he was under stress when he was asked about the payments he used "clumsy shorthand" – describing the payments as money owed. But I don't find this plausible "shorthand" in the circumstances. Nor do I find it plausible that Mr S mentioned the involvement of other people simply out of stress. These inconsistencies suggest to me that Mr S was aware the payments were, or might be, fraudulent.

It's possible that there are other details here which Mr S has been reluctant to disclose because of the impact he thinks this might have on his complaint. But based on what Mr S has told us, his account received payments which were later reported as fraudulent and he can't provide evidence to show why he was receiving the payments or that he was entitled to the money. So, in these circumstances, I find Monzo has acted fairly in loading the Cifas marker.

Mr S has told us the Cifas marker is causing him distress and financial hardship – including impacting his mental health. I'm sorry to hear that's the case but as I've found the marker was added correctly, I don't find Monzo need to remove it.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 May 2026.

Eleanor Rippengale

Ombudsman