

## **The complaint**

Mr A complains that Monzo Bank Ltd loaded a fraud-related marker against his name with Cifas and it refuses to remove it.

## **What happened**

Mr A says in 2023, he was taken advantage of by someone at his college ('the scammer') and persuaded to open a bank account with Monzo. The scammer said he wanted to send Mr A some birthday money and would like him to withdraw it for him. Mr A says the scammer told him it was nothing illegal. Mr A asked the scammer why he couldn't send it to his existing account and the scammer told Mr A that Monzo works for him, so the scammer proceeded to create the account with his details on his phone. Mr A said he thought nothing of it as he felt the scammer was doing him a favour.

Mr A discovered by email that his Monzo account had been closed and when he asked the scammer why that had happened, the scammer told him it was because his account was under the age of 18 which he found confusing and subsequently a lie. Mr A disregarded what happened until his main bank account with a different provider wrote to him advising his account would be closed. Mr A tried to find out why but his bank wouldn't tell him.

Mr A says his mum told him to do a Cifas check and noted it showed 'opening an account for fraudulent purposes'. It's at this point that Mr A says he connected the dots and believed the scammer had done something with his account, causing for it to be closed and a Cifas marker loaded. Mr A tried to contact the scammer but he blocked him on social media and was no longer attending his college.

Mr A said the IP address on the information provided by Cifas was not his address. He complained to Monzo.

Monzo issued its final response and explained it wouldn't be removing the Cifas loading and had acted within its procedures. Unhappy with this outcome Mr A referred his complaint to this service.

One of our Investigators looked into things and asked Mr A for some evidence to support his testimony but he said he was unable to provide his communication with the scammer as this was automatically deleted after 24 hours. After reviewing the evidence, our Investigator didn't think that Monzo acted unfairly. Mr A didn't agree and asked for an Ombudsman to consider his complaint.

The complaint has therefore been passed to me for determination.

## **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've reached the same outcome as our investigator for broadly the same reasons. I'll explain why.

I've noted our investigator explained that the bar for recording a Cifas marker is a high one. The requirements are specifically:

*'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.'*

This means that Monzo must be able to provide clear evidence that an identified fraud was being committed and that Mr A was involved.

There's also a requirement that Monzo should be giving Mr A an opportunity to explain what happened.

Having considered the evidence carefully, I'm satisfied Monzo has been able to demonstrate that it met the two standards I've quoted above. Monzo has shown that it received a report from a third-party bank showing the £250 transaction received into Mr A's Monzo on 11 November 2023 was reported as fraud by the account holder. This clearly meets the bar that there are reasonable grounds to believe that fraud or a financial crime has been committed.

Monzo contacted Mr A on 27 November 2023 asking for him to provide evidence of entitlement to the funds. It chased again and in absence of a response from Mr A, Monzo closed his account. Therefore, I'm satisfied that Monzo gave Mr A an opportunity to explain what happened. I think it was reasonable for Monzo to apply the Cifas marker at the point of closing Mr A's account in December 2023.

When our Investigator queried why Mr A didn't respond to Monzo's contact about the £250 credit received to his account, he couldn't explain why and said all he knows is the scammer made fraudulent transactions to an account in his name to avoid the consequences it would have if he'd done it on his own account.

I've carefully considered what Mr A has said. Having done so, I don't find his testimony to be plausible or persuasive. This is because Mr A has said he opened the account for the sole purpose of receiving birthday money from the scammer and he had his own existing account with a third-party bank. Our Investigator asked Mr A about the disputed £250 transaction but he advised that he had no access to the account and no knowledge of it as he never used the account. But I've noted that Mr A's Monzo statement shows that several payments were made from an account in Mr A's name into his Monzo account and subsequently withdrawn as cash the same day prior to the fraudulent credit. So I don't find Mr A's testimony that he had no knowledge of the account usage plausible.

Mr A also noted that he received Monzo's contact that it was closing his account, so I don't find it plausible that he wasn't aware of Monzo's contact about the £250 credit.

Mr A hasn't been able to provide any evidence, to Monzo or the Financial Ombudsman, of his entitlement to these funds or to substantiate the payment was a gift for his birthday. I do appreciate that Mr A said his messages with the scammer were deleted automatically but this coupled with his inconsistent testimony doesn't support what he's saying.

I've noted Mr A's comment that the IP address wasn't his but I don't think this supports that he had no knowledge of the transaction or that it wasn't done with his permission.

Overall and having considered everything, I'm satisfied Monzo acted fairly in applying the Cifas marker as I don't think Mr A has been able to sufficiently demonstrate he was entitled to the payment for legitimate reasons. On this basis, I don't believe it would be fair and reasonable to ask Monzo to remove the Cifas marker.

### **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 A to accept or reject my decision before 25 October 2024.

Dolores Njemanze  
**Ombudsman**