

The complaint

Miss A has complained Monzo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in her name.

What happened

Miss A had held an account with Monzo since October 2021. In 2024 Miss A was told by Monzo that they were closing her account. This came after they questioned her about credits made to her account. Miss A had told Monzo these were gifts and assistance towards her tuition fees. Monzo lodged a fraud-related marker on her record with CIFAS.

Miss A asked Monzo to remove the marker because of the impact this was having on her ability to get an account. She was also struggling with her mental health. Monzo didn't feel they'd done anything wrong and refused to remove the marker.

Miss A brought her complaint to the ombudsman service.

Our investigator reviewed the evidence and wouldn't ask Monzo to remove the marker.

Miss A disagreed with this outcome. She's asked an ombudsman to consider her complaint.

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. I'll explain why.

It is clear what the requirements are prior to lodging a marker. 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.”

So Monzo must be able to provide clear evidence that an identified fraud was being committed and Miss A was involved.

There's also a requirement that Monzo should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Monzo. This confirms they received notifications from two other banks that their customers had sent money to Miss A's Monzo account as the result of social media investment scams. Another customer of Monzo's was also a victim of a scam and had sent money to Miss A's Monzo account.

I'm in no doubt that these funds didn't belong to Miss A. An identified fraud was being committed. However, I also need to be satisfied that Miss A knew what was going on when

money that wasn't hers was being paid into her account.

Miss A has told us she admits she wasn't truthful with Monzo when they first asked her what was going on. This was because she was scared. She then told us she'd allowed someone she thought was a friend use her card and PIN. She'd not known what was going on.

But I don't accept what Miss A says. I've reviewed the evidence she's shared showing conversations with this third party who she contacted after being offered an opportunity to increase an investment substantially. She then agreed to send this person her card and PIN allowing them access to her account. She believed she'd be paid for this – and certainly money was paid into her account. Miss A argues she didn't realise this was fraudulent.

However, I can't see that she seriously believed that someone she'd sent her card and PIN to – particularly if they were going to help her increase an investment – was doing anything other than acting in a criminal manner. Miss A may not have known the exact detail of what would be happening, but she was willing to gain financially regardless.

I appreciate Miss A's testimony about the impact this has had on her, and I also know that she's expecting a baby so I understand this must be very concerning for her.

I note Monzo did contact Miss A to question her entitlement to the money and she told them the money was a gift. However, she was willing to be tutored by the fraudster on what to tell Monzo so I believe this should also have rung alarm bells.

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. In this case I think this most likely exists here from reviewing the payments made into Miss A's Monzo account and her correspondence with this third party.

On this basis I don't believe it would be fair and reasonable to ask Monzo to remove the CIFAS marker.

My final decision

For the reasons given, my final decision is not to uphold Miss A's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 December 2024.

Sandra Quinn
Ombudsman