

The complaint

Mr R has complained Metro Bank PLC lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

Mr R opened an account with Metro in August 2021. In October 2023 Mr R was asked to explain two credits of £700 and £800 that had been received into his current account. Mr R gave them copies of two handwritten invoices for driving lessons he was providing. Metro told Mr R that they were closing his account.

Mr R subsequently discovered a fraud-related marker had been lodged by Metro on the industry fraud database, CIFAS. This was causing him difficulties in getting another account and managing his financial commitments. He asked Metro to remove the CIFAS marker. Metro didn't feel they'd done anything wrong and refused to remove the marker.

Mr R brought his complaint to the ombudsman service.

Our investigator reviewed the evidence. Mr R confirmed – through copies of WhatsApp messages – that he'd been the victim of a romance scam. He'd provided more than £10,000 to someone he believed he was in a relationship with. He'd also been contacted by her lawyer and had agreed to accept funds into his account and then send them on. This included these two suspicious credits. Our investigator asked Metro to remove the CIFAS marker.

Mr R accepted this outcome, but Metro didn't. They believed that Mr R had lied to them and wouldn't remove the CIFAS marker.

Mr R's complaint has been referred to an ombudsman for decision.

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 Metro must be able to provide clear evidence that an identified fraud was being committed and Mr R was involved. There's also a requirement that Metro should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Metro. This confirms they received a notification from another bank that their customer had made two payments to Mr R's Metro account and disputed these.

Mr R has told us and Metro he provided driving lessons (and there's no dispute that he does). He initially confirmed these two disputed payments were for a certain amount of driving lessons. Metro wouldn't accept the handwritten evidence Mr R provided as sufficient evidence of these transactions.

When we questioned Mr R further about why the individual who'd paid him for driving lessons would then dispute those payments, he opened up to us about what had really happened.

Mr R provided us with copies of WhatsApp messages. These show he'd become involved in a scam where an individual – masquerading as a woman (I say this as there's no obvious evidence any woman as Mr R believed was ever in a relationship with him) – told Mr R she was in trouble and needed financial help. From Mr R's bank statements, I can see he sent her amounts of money. He was then persuaded by this individual's lawyer (who I suspect is also not a lawyer!) to accept funds into his account and then pass them on. It's clear from the tone of the messages that Mr R was shocked to discover he was held to be at fault when Metro blocked and then closed his account.

We've shared these messages with Metro. However, they have said this only shows that Mr R initially lied to them. I don't dispute that but that isn't the CIFAS test, and I'd have expected Metro to review the marker they'd lodged in light of this new information. I can't see they did so. This is unfortunate as it seems clear to me that whilst Mr R may well have acted in what they see as a naïve manner, his behaviour follows the pattern we see in scams of this nature.

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 based on the new evidence provided by Mr R, I don't think this exists here. Mr R was the victim of a scam and only involved through being conned and persuaded to pass money on.

Putting things right

On this basis I believe it would be fair and reasonable to ask Metro to remove the CIFAS marker.

Metro removed funds from Mr R's account and refunded these to the original sender's account. Whilst Mr R's messages suggest some of this money was his, I don't believe this was the case. I won't be asking Metro to refund any money to him.

My final decision

For the reasons given, my final decision is to instruct Metro Bank PLC to remove the CIFAS marker in Mr R's name.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 March 2025.

Sandra Quinn
Ombudsman