

The complaint

Mr I has complained The Royal Bank of Scotland plc added a marker against his name onto the industry fraud database, CIFAS, and closed his account.

What happened

RBS contacted Mr I in July 2022 to query a payment he'd received into his account. This was for £20,000. Mr I confirmed this was funds he'd received on behalf of a friend from crypto sales which he'd been asked to send on to this friend's family and acquaintances.

As RBS knew the money into Mr I's account had been transferred as the result of a malicious scam, they decided to close his account and added a fraud-related marker against his record. They felt the evidence they'd seen indicated Mr I was aware of what had happened and had been involved.

Mr I brought his complaint to the ombudsman service. He also presented evidence – texts from his friend to show Mr I hadn't been aware of what was going on.

Our investigator felt the evidence showing payments made by Mr I using the remainder of funds indicated he'd benefitted from this fraud. She wasn't going to ask RBS to do anything further.

Mr I continued to protest. An ombudsman will consider his 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 such that the member could confidently report the conduct of the subject to the police."

So RBS must be able to provide clear evidence that a financial crime was being committed and Mr I was involved.

I've seen the evidence about the funds paid into Mr I's account. These were the result of someone being scammed. There's no doubt this money wasn't his.

Before this money was received into Mr I's account, his balance was under £10. Within a day of the money being received, money was sent to five different individuals. I've seen texts from Mr I's friends which talks about these payments being made.

This left more than £1,300 in Mr I's account. He then gave £450 to a friend who he said he owed money to and then there were lower transactions all authorised by Mr I. At the time RBS queried this payment and blocked Mr I's account, he still held nearly £500 from this fraudulent credit in his account.

I've reviewed what happened and considered Mr I's evidence that he was making transfers on behalf of a friend. He may well not have known this was a fraudulent credit. However as soon as he was willing to accept funds in exchange for receiving this money, he was being paid, I believe, for the risk he was taking. So I'm satisfied Mr I was willing to be involved in something when he believed all wasn't above board.

Overall I'm satisfied that RBS had sufficient clear evidence to lodge the CIFAS marker and close Mr I's account.

My final decision

For the reasons given, my final decision is not to uphold Mr I's complaint against The Royal Bank of Scotland plc

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 12 October 2023.

Sandra Quinn
Ombudsman