

The complaint

Miss W has complained that Monzo Bank Ltd registered a marker against her at CIFAS, the national fraud database.

What happened

In 2021, Miss W received the proceeds of fraud into her Monzo account. The money was then quickly sent onto other accounts using her mobile banking. Monzo closed her account and registered a marker at CIFAS.

Miss W told Monzo that this had nothing to do with her, she didn't know anything about the activity on her account and was uninvolved, she didn't know the people involved, her card was with her at all times, and she didn't use the account so didn't even notice this had happened for some time afterwards.

Miss W told our service that a friend had asked to use her account as his was blocked. He was sending money from another account of his to Miss W, then back to himself and another friend. She gave him her card and online banking security details so he could make the transfers from his device. But she also retained full access to her account from her own phone. She was aware of what had happened at the time but didn't complain until 2023 as it was only a secondary account.

Our investigator looked into things independently and didn't uphold the complaint. Miss W appealed, so the complaint's been passed to me to decide.

I sent Miss W and Monzo a provisional decision on 23 January 2024, to explain why I didn't think the complaint should be upheld. In that decision, I said:

In order to register this marker, Monzo were not required to prove beyond all reasonable doubt that Miss W had done something wrong. They did need to have reasonable grounds to believe that she'd misused her account, which went beyond a suspicion or concern, and which had appropriate supporting evidence. Having carefully considered everything that both sides have said and provided, I currently think Monzo did have sufficient grounds to register this marker. I'll explain why.

The money that Miss W received came from a victim of fraud, who'd been defrauded into paying Miss W. Before this incident, Miss W had emptied her Monzo account of her own money. She then received the fraudulent funds and they were sent on very quickly, such that they could not be easily recovered. The activity on her account is highly consistent with that of a money mule.

Miss W first claimed that she was completely unaware of the activity on her account, then later that she was aware her account was being used, but that this was done by her friend. However, I'm satisfied from Monzo's technical evidence that the fraudulent funds were sent on using Miss W's phone – the only active device on the account at the time, and the same device she'd used for her genuine activity beforehand. Miss W confirmed that she had this phone with her and retained full access to it during the period of the fraud. So there doesn't seem to be a likely or plausible way that anyone else was using her mobile banking. Further, the fraudulent funds were sent on from an IP address which links up to Miss W's own previous activity. This all strongly suggests that Miss W directly authorised the sending on of the fraudulent funds. And it shows that her original testimony – that she was unaware of her account being used – was false.

Miss W's later testimony does not seem plausible either. She said her friend needed to use her account as his was blocked. But she also said he told her that he was sending money from an account of his to her, then onto another account of his. And if he had accounts which could both send and receive money, then there would've been no point in going through Miss W's account at all – he could've just sent the money from one account to the other directly. So this explanation does not make sense. However, the use of Miss W's account does fit closely with the actions of a money mule.

Miss W has not been able to provide any evidence at all from the time which substantiates her latest version of events. She's since provided some limited extracts of recent communication with these friends, where they say they were trying to "do a thing" for a "job" where they would "take out the money when it's done". But aside from these messages not being from the time, and being very vague, they also do not actually support that Miss W lent her account to a friend because his was blocked. And they do still fit well with the possibility that she was knowingly helping to move on fraudulent funds.

I do also need to note that Miss W told Monzo and our service two very different versions of events, and at many points her testimony has been unreliable, contradictory, or clearly untrue. For example, she told Monzo she was unaware of her account being used or closed, when it was used on her phone at her IP address and Monzo emailed her afterwards at the same email address she uses to speak to us now – and she's since admitted that it was being used with her permission. She told Monzo she didn't know the people involved, but told us they were her friends. She told Monzo she kept her card with her the whole time, told us she gave it to her friend, and now says she actually did keep it. She said she'd been letting her friend transfer money to and from her Monzo account for a long time before the fraud incident, but there were no transfers to or from this friend before the fraud.

In summary, Miss W received and quickly forwarded on fraudulent funds, on her phone, at her IP address, in a way that's highly consistent with her being a money mule. The evidence substantiates that Miss W was directly involved in forwarding on the fraudulent funds. Miss W has not been able to provide any evidence which substantiates her versions of events, there's no evidence which makes it seem implausible or unlikely that Miss W was knowingly involved in the fraud, and she has given notably contradictory or untrue testimony. So it seems fair that Monzo closed Miss W's account and registered a marker at CIFAS. This is a difficult message for me to give, and I know it's a difficult message for Miss W to receive. But given the evidence I have so far, and the balance of probabilities, I'm currently unable to reasonably reach any other conclusion.

I said I'd consider anything else anyone wanted to give me – so long as I received it before 6 February 2024. But neither Miss W nor Monzo sent me anything new to consider.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 5 March 2024.

Adam Charles
Ombudsman