

The complaint

Miss D complains that Monzo Bank Ltd registered a marker about her at CIFAS, the national fraud database.

What happened

Miss D says that she has never opened an account with Monzo Bank. And that someone did so by using her personal information. The CIFAS marker is affecting her ability to open an account elsewhere and this is causing her financial difficulty.

Our adjudicator didn't recommend that the complaint be upheld. Monzo Bank had shown that the account was opened using Miss D's correct personal details including her email address. And it provided a copy of video evidence used to verify Miss D when the account was opened. The marker reflected the use of the account. Monzo Bank had grounds to record this.

Miss D didn't agree and wanted her complaint to be reviewed. She stressed the impact that the CIFAS marker was having on her and her family. Another account at a different financial business had been closed and she was unable to open an account elsewhere. She had shown that she is in financial difficulty and had outstanding bills.

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.

I need to consider whether the report to CIFAS was made fairly. On this point, Monzo Bank needs to have more than a suspicion or concern. It has to show it had reasonable grounds to believe that a fraud or financial crime had been committed or attempted. The evidence must be clear, relevant and rigorous.

What this means in practice is that a bank must first be able to show that fraudulent funds have entered the consumer's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that the consumer was deliberately dishonest in receiving the fraudulent payment and knew it was, or might be, an illegitimate payment. This can include allowing someone else to use their account in order to receive an illegitimate payment. But a marker shouldn't be registered against someone who was unwitting; there should be enough evidence to show deliberate complicity.

To meet the standard of proof required to register a CIFAS marker, the bank must carry out checks of sufficient depth and retain records of these checks. This should include giving the account holder the opportunity to explain the activity on their account in order to understand their level of knowledge and intention.

I won't be able to say *exactly* what happened and I'm thinking about what is *most likely*. Miss D's position is that she didn't open the account and so isn't responsible for what happened and wouldn't be able to explain this.

I've looked closely at the way in which Monzo Bank considered an application in her name. And the information it used to verify her details including the video. Having done so I consider that it is most likely that Miss D made the application and opened the account. Having made that finding I consider she was responsible for what happened on the account and the way it was used. And based on that Monzo Bank had grounds to add the marker. It also decided to close her account in line with its terms and conditions.

I appreciate what Miss D says about the impact of the marker for her and her difficulty in accessing an account elsewhere. But I'm afraid I don't have a reasonable basis to require Monzo Bank to take any further action. I know how disappointed Miss D will be at my assessment.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 28 September 2023.

Michael Crewe
Ombudsman