

## **The complaint**

Mr W complains that Kroo Bank Ltd ('Kroo') won't refund a payment he made as part of a scam.

## **What happened**

Mr W was the victim of an impersonation scam, where he was persuaded to make a card payment for £4,900.00 to 'Worldremit Ltd' to keep his money safe.

Having realised he'd been scammed, Mr W disputed the payment with Kroo, who declined to refund it and maintained its position in his subsequent complaint. Still unhappy, Mr W brought his concerns to our service to investigate.

## **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 for these reasons:

- In broad terms, the starting position is that Kroo is expected to process payments that Mr W authorises it to make, in accordance with the Payment Services Regulations 2017. While Mr W was a victim of a cruel scam, it's accepted he authorised this payment. That means he's presumed liable for the loss in the first instance.
- However, there are circumstances when it might be appropriate for Kroo to take additional steps before processing a payment. Such as when there are grounds to suspect the payment presents a fraud risk. That might occur when a payment is significantly unusual or uncharacteristic compared to the normal use of the account.
- Having considered the matter carefully, I'm not persuaded it should have stepped in here. I've noted this was a single payment for £4,900.00. While I appreciate this was a lot for Mr W to lose, I don't think the value was so significant that it stood out as particularly suspicious. I've also observed how there was money available for the payment and how it didn't substantially drain Mr W's account balance.
- I'm mindful that plenty of people legitimately make one-off larger payments like this one. So, in the circumstances, I don't consider it remiss that Kroo processed this payment in line with his instructions without completing further checks. After all, it must balance protecting Mr W from fraud with its corresponding duty to make the payments he tells it to in a timely manner.
- As well as considering whether Kroo ought to have prevented this payment, I've considered whether it ought to have done more to recover it. But given that it seems the payment was part of a money transfer, and the merchant ultimately provided this service, I don't find there was any reasonable chance Mr W would have been able to

recover this money.

- I've also considered Mr W's point that he couldn't contact Kroo by phone until the day after the scam. But this was a card payment where the merchant had already been promised the money – so it couldn't be stopped by Kroo afterwards even if it was told sooner. It follows that I'm not persuaded this impacted his ability to get the money back.
- Mr W also mentioned how other firms would've refunded him. But my role is to decide the complaint he's brought against Kroo. And for the reasons I've explained, I'm not persuaded it acted unfairly here. I've also noted how he's raised the new rules that came into effect from October 2024. But these don't apply retrospectively, nor do they apply to card payments like the one in dispute here. So I don't think these would help him.
- I do appreciate how disappointing this will be for Mr W, who has clearly fallen victim to a horrible scam. But for the reasons I've explained, I don't think his losses can be attributed to something Kroo did wrong. So I don't uphold his complaint.

### **My final decision.**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 March 2025.

Emma Szkolar  
**Ombudsman**