

## **The complaint**

Miss M is unhappy that Kroo Bank Ltd applied a Cifas marker against her name. She would like the marker removed.

## **What happened**

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In December 2023 an account was opened with Kroo in Miss M's name. On 27 January 2024 a £550 payment was received into the account. This payment was then disputed on the 29 January 2024 by the sending bank. After discussing the payment with Miss M Kroo decided to close the account and added a Cifas marker for 'misuse of facility'.

Miss M was unhappy with the marker being applied so she made a complaint to Kroo but Kroo said it hadn't done anything wrong by adding the marker so it wasn't going to remove it. Unhappy with this response, Miss M brought her complaint to this service.

Our investigator didn't think the complaint should be upheld. She said she was satisfied that Miss M was aware of the bank account when it was opened and that she was aware of the money that was passing through her account. She added that there had been some inconsistencies in Miss M's testimony so she didn't think she could reasonably ask Kroo to remove the Cifas marker here.

Miss M disagreed and asked for an Ombudsman's review. She said that she wasn't aware of what was happening with the account until she was told it was being closed and that it was her ex-partner who used her details and opened the bank account.

## **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.

Miss M has explained that the Cifas marker has impacted her greatly, particularly due to the closure of her accounts with other banking providers. But while I know this won't be the outcome she is hoping for, for largely the same reasons as our Investigator, I don't think Kroo has unfairly applied the marker. I'll explain why.

For the Cifas marker to have been applied fairly, Kroo needs to have more than a suspicion or concern. They must show they had reasonable grounds to believe that a fraud or financial crime had been committed or attempted. And the evidence must be clear, relevant and rigorous.

Having considered the evidence carefully, I'm satisfied Kroo has been able to demonstrate they've met the first of the two standards I've listed above. Kroo has shown they received a report from a third-party bank showing the £550 transaction was reported as fraud by the account holder. This clearly meets the bar that there are reasonable grounds to believe that

a fraud or financial crime has been committed. So, I've gone on to consider if Kroo has been able to meet the second of the above two standards.

Upon being notified of the account restriction, Miss M explained to Kroo the payment was for the sale of a car but despite providing a statement and a screenshot to confirm receipt of the payment, Miss M couldn't provide evidence she was entitled to the £550. And so, in the absence of receiving evidence to show Miss M's entitlement to the money, I think it was reasonable for Kroo to apply the Cifas marker at the point of closing the account in February 2024.

When Kroo spoke to Miss M to ask for the evidence she called it and had a clear knowledge of both the account and the payment. However, when raising the complaint to this service - and in response to the investigator's opinion - Miss M has said she had no knowledge of this account and that it was her ex-partner who was responsible.

Kroo has provided the evidence that shows the account was opened with ID from Miss M and a selfie video. So, I don't think I can reasonably conclude Miss M had no knowledge of the account. Miss M had said she had no knowledge of this issue until the account was closed but I'm satisfied it was her that spoke to Kroo in late January 2024 when the payment was disputed by the third-party. So, she was also aware of the payment at the time. I've seen a later conversation between Miss M and Kroo where she asks them to send the money back to the sender and for her account to be closed. She then explains to Kroo in April 2024 that the money came into her account because her ex-partner sold a phone. She then blames the third-party calling the sale of the phone a scam and that it was a different individual who told her to lie to Kroo – not her ex-partner.

I've carefully considered what Miss M has said. Having done so, I find her testimony inconsistent and unpersuasive. This is because she hasn't been consistent in relation to her involvement in the opening of the account and the payment. I appreciate that Miss M has said that her ex-partner was telling her to take these actions and I was sorry to hear of the personal issues that she has experienced but given her testimony and the evidence that Kroo has provided, I don't think I can reasonably conclude that she wasn't aware of the £550 payment.

Overall and having considered everything, I'm satisfied that Kroo acted fairly in applying the Cifas marker as I don't think Miss M has been able to sufficiently demonstrate she was entitled to the payment for legitimate reasons. I therefore don't think Kroo has to do anything further.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 April 2025.

Mark Dobson  
**Ombudsman**