

## **The complaint**

Mr F complains that Kroo Bank Ltd restricted access to his account and took too long to give him access to the money it was holding for him.

## **What happened**

In October 2024 Mr F attempted to make a payment from his account with Kroo but the payment wasn't made immediately, as Kroo wanted to review it in more detail. It asked Mr F for more information about the payment and felt that he was trying to make a payment for business purposes, which Kroo had warned him was against its terms in August 2024. Because of this, the account was restricted on 5 October 2024 while Kroo asked Mr F for more detail of the payments in and out of his account. Mr F provided information that Kroo asked for but it felt this had discrepancies in it and on 10 November 2024 Kroo closed the account and transferred the funds to Mr F on 20 November 2024.

Mr F says that he provided Kroo with all the information it asked for and that it took too long to give him access to money that he desperately needed. He found Kroo to be unhelpful whenever he approached it for support and made a complaint about this situation. In its response to his complaint, Kroo didn't think it had acted unfairly or incorrectly.

Mr F was unhappy with Kroo's response and brought his complaint to this service. One of our investigators looked into this for him and asked Kroo for some further information. Despite several attempts to chase Kroo for this information, it didn't respond and so our investigator considered the complaint based on the information they had. Having done so, they felt Kroo acted correctly in line with its obligations in not making the payment Mr F made it to and restricting his access to his account. But they felt that Kroo took too long to close Mr F's account and pay him the balance it was holding for him.

Our investigator noted that Kroo received the final piece of information it requested from Mr F on 22 October 2024 and believed that it could have made the decision to close Mr F's account on 23 October 2024 and send him the funds then, instead of waiting as long as it did. So they recommended that Kroo pay 8% simple interest per annum on the amount in Mr F's account between those two dates. They also recommended that Kroo pay £100 for the distress and inconvenience caused by this delay in paying him the money but noted that the impact of this was mitigated by Mr F borrowing from friends and family.

Mr F agreed with the investigator's recommendations, but Kroo didn't respond despite our investigator chasing it, so the complaint has been passed to an ombudsman to decide.

## **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.

It seems like all the parties accept that Kroo was entitled to have restricted Mr F's access to his account and to have asked him for more information in relation to concerns it had. So I won't go into detail on this point, other than to say that I agree. I think Kroo was acting in line with its obligations and the terms of the account in taking this action.

So what I need to decide is what would be fair to resolve the remaining issues in respect of this complaint. These relate to the service Kroo provided around the restriction and the time it took to resolve this. As our investigator has highlighted, on 22 October 2024 it seems like Mr F provided Kroo with the information that seems to have cemented its decision to have closed his account. Yet Kroo waited until 20 November 2024 to take this action, which meant that Mr F was only able to access the money Kroo was holding for him nearly a month after providing this information.

Kroo hasn't provided any reasons to support why it took so long to take this action here, despite our investigator asking why and issuing their findings which gave it an opportunity to respond. Without any information to show why Kroo took such a long time to act on the information it received, then I'm not persuaded it's acted fairly or reasonably in the circumstances here. This is in line with the rules<sup>i</sup> that this service follows which say that I may reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested.

So in the circumstances here, I'm satisfied that Kroo should have acted sooner to close Mr F's account and to give him access to the money it was holding for him. Had Kroo done this, then I've not seen anything to suggest that it couldn't have closed Mr F's account and sent him the funds the day after it received the final pieces of information he sent. So to recognise the time that Mr F was without those funds when he should have had them, I think it's fair that Kroo pays him 8% simple interest per annum on the amount it held in Mr F's account between 23 October 2024 and 20 November 2024.

The amount being held was quite significant and Mr F had made clear to Kroo that not being able to access this was causing him a lot of worry and upset. It looks like Mr F was able to mitigate much of the impact here by being able to borrow from friends and family. But I still think it would be fair for Kroo to pay him £100 to recognise its part in the impact of Mr F being without his money for as long as he was here.

### **My final decision**

I uphold this complaint. Kroo Bank Ltd should pay Mr F:

- 8% simple interest (per annum) on the balance of the account it held for him between 23 October 2024 and 20 November 2024, and;
- £100 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 April 2025.

James Staples  
**Ombudsman**

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<sup>i</sup> DISP 3.5.9R (3) - <https://www.handbook.fca.org.uk/handbook/DISP/3/6.html>