

The complaint

Mr S complains Kroo Bank Ltd unfairly loaded him to a fraud database.

What happened

Mr S says his device and Kroo account were taken over and transactions carried out on the account. Mr S says messages were received on his phone, but he wasn't in control of it.

Mr S' Kroo account was closed and his details were loaded to a fraud database.

Mr S complained and Kroo responded to say Mr S' account received four fraudulent payments and it reached out to him via the Kroo app, but got no response. Because of this Kroo closed Mr S' account and returned the money.

Mr S brought his complaint to this service and an investigator looked into things. Kroo said Mr S had attempted payments to an account in his own name during the time the account was receiving fraudulent money, but provided no proof.

Mr S said he could see his phone and account were accessed by an unknown internet protocol address overseas. The investigator asked Kroo for more comment on this, and proof of the payments Mr S apparently attempted, but got no response.

Because Kroo hadn't sent this service enough evidence to satisfy the investigator Mr S was involved in receiving the fraudulent payments, the investigator thought Kroo should remove the fraud marker and pay Mr S £150.

Mr S appears to have accepted this outcome, but Kroo didn't respond.

Since there was no acceptance or further information from Kroo, the complaint was passed to me 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.

There's no dispute Mr S' account received fraudulent payments. But this alone isn't enough to fairly load Mr S to a fraud database. Kroo needs to show Mr S was involved in the fraud or knowingly moved the fraudulent money on.

I contacted Kroo to see if it would either accept the investigator's assessment or send in the further information it says it has. I didn't receive a response. I have to decide Mr S' complaint on the information I have, which I don't think proves Mr S was involved.

Looking at the statements for Mr S' Kroo account, the money he received was moved onto another card, but there's no indication from the statements this was in Mr S' name.

And despite Kroo's assertion Mr S tried to move money to an account in his name, Kroo's failed to provide proof of this despite numerous requests.

Mr S says someone else was in control of his device and account, and Kroo's sent nothing in to show this wasn't what happened.

The evidential bar for loading someone to a fraud database is rightly higher than the balance of probabilities. A fraud marker can have a serious impact on someone's finances, so if there's sufficient doubt someone was involved, the fraud marker should be removed.

Specifically in Mr S' circumstances, I think there is enough doubt. Mr S has said what happened and Kroo hasn't sent this service anything to counter this. So, I don't think Kroo can fairly maintain the fraud database loading it applied to Mr S.

Since fraud database loadings can have such a serious impact, I also need to think about compensating Mr S for the effect this unfair loading has had. Mr S explained he's had other accounts close and struggled to open a new account.

Mr S says this has impacted his health and caused unnecessary stress. The investigator felt £150 was fair compensation, and, in the circumstances, I agree this is a fair amount.

I think Kroo's had more than enough opportunity to send this service further submissions to prove its assertion Mr S was involved in the receipt of the fraudulent money. Since it hasn't done this, I can't say the fraud database loading is fair, and I think Kroo needs to remove it.

My final decision

My final decision is I uphold this complaint and Kroo Bank Ltd should remove any fraud database loading its applied to Mr S and pay £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 June 2025.

Chris Russ
Ombudsman