

The complaint

Ms G complains that Kroo Bank Ltd, won't refund money she says she lost to an investment scam.

Ms G is professionally represented, however, to keep things simple, I'll refer to Ms G throughout my decision.

What happened

As all parties are familiar with the facts of this case, I'll summarise them briefly here.

Ms G registered her interest in a cryptocurrency investment opportunity via a popular social media platform. Subsequently, she was contacted by an individual who asked her to make a £200 investment, which will result in her being able to make returns of £6,000. Ms G was convinced the investment was genuine, so she made an initial payment of £250. However, shortly after, she was contacted by another person who she said pressurised her into increasing her investment to make larger profits. And even when Ms G told the person she didn't have any more funds to invest, she said the person became aggressive and demanded she take out loans if she didn't have any more money to invest. Ms G said she realised she had been a victim of a scam when she was unable to withdraw her funds despite various promises.

Ms G made three payments totalling £9,446 from her Kroo Bank account between 26 July 2024 and 2 October 2024. Kroo Bank declined to reimburse the payments, so the matter was referred to our service. Our Investigator didn't uphold the complaint. In short, he said Ms G authorised the disputed payments, and she hadn't provided our service with sufficient evidence to show that she had lost the money to a scam. So, the Investigator didn't think Kroo Bank needed to do anything else.

Ms G didn't agree and said Kroo Bank should have done more to protect her from the investment scam she says she fell victim to.

As no agreement could be reached, the case was passed to me for a final decision.

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 agree with the Investigator's findings for broadly the same reasons. I will explain why.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probability – that is what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations 2017, consumers are generally liable for

payments they authorise. Kroo Bank are expected to process authorised payment instructions without undue delay. But as a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Kroo Bank is responsible for the loss Ms G claims to have suffered if, indeed, she has been scammed. I've therefore considered whether Ms G was a victim of a scam.

From what's been provided, I can't see anything to show that Ms G made the payments from her Kroo Bank account specifically for the investment scam she says she fell victim to. She has provided information which shows she made payments to a crypto exchange provider, which were subsequently withdrawn, but she's not been able to supply evidence to show how the funds were lost to the scammers.

And while I don't dispute Ms G's version of events, our service has asked her on several occasions to provide further evidence, which hasn't been provided. I want to highlight at this stage I haven't overlooked the challenges Ms G has faced in obtaining certain evidence. However, given the circumstances of this complaint and how the scam evolved, I don't think it is unreasonable that Ms G would be able to provide evidence of the loss as a result of a scam. I've considered Ms G's testimony and the limited information she has provided and while I can only be satisfied that she made the transactions on her account, I can't be satisfied that the beneficiary of the funds was the scammer. Ultimately, I haven't seen anything to specifically show that the transactions in questions were carried out in relation to a scam.

As I have explained above, even if I were to be satisfied Ms G had fallen victim to a scam, I'm unable to establish the actual loss she claims to have suffered. So, on balance, I can't be entirely satisfied Ms G fell victim to the investment scam she has mentioned. Nor can I be satisfied that she didn't benefit from some of the transactions – due to an absence of evidence of why they were made. And without being able to establish the loss suffered (if any), I can't fairly or reasonably direct Kroo Bank to refund Ms G the disputed transactions.

In terms of trying to recover the lost funds, Kroo Bank did contact the crypto exchange provider, however, unfortunately, there wasn't any reasonable prospect of this. This is because Ms G had already forwarded the funds she sent to the crypto provider on to the alleged scam. So, there wouldn't have been any funds remaining. And even if there had been, they would've been accessible to Ms G.

I have a great deal of sympathy for Ms G and the loss she says she has suffered. But it would only be fair for me to direct Kroo Bank to refund her loss if I thought they were responsible – and I'm not persuaded this was the case.

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 Ms G to accept or reject my decision before 12 January 2026.

Israr Ahmed
Ombudsman