

The complaint

Mr B complains that Kroo Bank Ltd (Kroo) is refusing to refund him the amount he lost as the result of a scam.

Mr B is being represented by a third party. To keep things simple, I will refer to Mr B throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr B was looking for additional work online when he came across a job that he thought might be suitable with a company I will call "X". Having made an enquiry Mr B received a message via a well-known messaging application from X explaining the job in more detail.

Mr B tells us he started the job by completing allocated tasks, but soon came across special tasks and his balance on X's platform showed a negative figure requiring him to make payments.

X confirmed to Mr B that the special tasks were a good thing as they provided higher commission levels.

Mr B continued to receive these tasks until he was financially unable to make any further payments. Mr B discussed his predicament with X but eventually X stopped communicating with him and he realised he had fallen victim to a scam.

Mr B has disputed the following payments:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	15 March 2024	Individual 1	Transfer	£400
2	15 March 2024	Individual 1	Transfer	£1,350

Our Investigator considered Mr B's complaint and didn't think it should be upheld. Mr B disagreed, so this complaint has been 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.

It has not been disputed that Mr B has fallen victim to a cruel scam. The evidence provided by both Mr B and Kroo sets out what happened. What is in dispute is whether Kroo should refund the money Mr B lost due to the scam.

Recovering the payments Mr B made

Mr B made the disputed payments via transfer. Mr B has explained that he made payments to individuals via legitimate cryptocurrency exchanges in exchange for USDT that was then forwarded to X. As Mr B received USDT in exchange for his payments and it took further steps for those funds to end up with the scammer any attempts to recover the funds would have no prospects of success.

Should Kroo have reasonably prevented the payments Mr B made?

It has been accepted that Mr B authorised the payments that were made from his account with Kroo, albeit on X's instruction. So, the starting point here is that Mr B is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Kroo should have been aware of the scam and intervened when Mr B made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr B has disputed, although to new payees, were not for such significant values that I would have expected Kroo to have cause for concern that Mr B was at risk of financial harm prompting it to intervene.

In any event I don't think any intervention by Kroo would have made a difference. I say this because Mr B also used a different account with another provider to make payments in relation to the scam. The other provider did intervene on multiple occasions and Mr B provided incorrect information to the questions that were asked.

Providing incorrect information when making payments would have made it extremely difficult for the scam to be uncovered, and based on the information I have I don't think Mr B would have been any more honest with Kroo had it intervened.

With the above in mind, I don't think Kroo missed an opportunity to prevent the scam, and it is not responsible for Mr B's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 July 2025.

Terry Woodham
Ombudsman