

## **The complaint**

Miss S has complained Kroo Bank Ltd lodged a fraud-related marker on the industry fraud database, CIFAS, in her name.

## **What happened**

In 2023 Miss S opened an account with Kroo. After a credit of £750 was received into Miss S's account, Kroo blocked her account and then queried the payment.

Kroo was notified by another bank's customer that they'd sent money to Miss S's account and wanted to reclaim this. Kroo blocked the account and asked Miss S to explain why this money was hers. Dissatisfied with her response, the account was closed, and a fraud-related marker was lodged on Miss S's record with CIFAS.

Miss S subsequently discovered this was causing her difficulties with her main account being closed. She asked Kroo to remove the CIFAS marker. Kroo didn't feel they'd done anything wrong and refused her request.

Miss S brought her complaint to the ombudsman service.

Our investigator reviewed the evidence. He felt that the evidence Miss S had now provided was sufficient to show Miss S had sold a jacket and received money for it. He asked Kroo to remove the marker and to pay her £300 for the trouble caused.

Miss S accepted this outcome, but Kroo didn't. They argued Miss S fitted the profile of a potential money mule and drew our attention to another transaction on her account.

This complaint has been referred to an ombudsman for 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've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

*"There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.*

*The evidence must be clear, relevant and rigorous."*

So Kroo must be able to provide clear evidence that an identified fraud was being committed and Miss S was involved. This evidence must go beyond a suggestion of Miss S's involvement.

There's also a requirement that Kroo should be giving the account holder an opportunity to

explain what was going on.

I've seen the evidence provided by Kroo. This confirms they received a notification from another bank that they had sent money to Miss S's Kroo account which they wished to reclaim. It's unclear what the reason for this reclaim was.

So, I'm not convinced there's sufficient evidence to say that the money was paid fraudulently. I can see the sender of the money labelled the payment as for a jacket, which matches what Miss S was expecting payment for.

On the other hand, Miss S has been able to provide us screenshots from messages between her and a friend about a jacket she was selling. This matches the credit made to her account. We shared these with Kroo.

In my experience it is often the case that fraudulent credits are labelled very differently than the parties suggest they're for. Not in this case.

Lots of young people use their accounts for reselling items. From what I've seen it's very possible this is just a dispute over a purchase rather than anything else.

I note Kroos' view that Miss S matches the profile of potential money mules, and I would say that similarly she matches the profile of someone selling items.

I don't believe Kroo has sufficient evidence, as required by the CIFAS rules, to show firstly whether there was a fraud, far less Miss S's involvement.

### **Putting things right**

The requirements around banks lodging markers at CIFAS include there being sufficient evidence that the customer was aware and involved in what was going on. In this case I don't think this exists.

On this basis I believe it would be fair and reasonable to ask Kroo to remove the CIFAS marker.

The point of lodging a CIFAS marker is to limit someone's access to banking facilities. This can be very limiting and I can see there's been an impact on Miss S as her main account was closed. In recognition of the trouble caused, I'm asking Kroo to pay her £300.

### **My final decision**

For the reasons given, my final decision is to instruct Kroo Bank Ltd to:

- remove the CIFAS marker in Miss S's name.
- pay £300 to Miss S for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 22 July 2025.

Sandra Quinn  
**Ombudsman**