

The complaint

Mr D complains Kroo Bank Ltd, recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly in what it did and how it approached things.

What happened

A summary of what happened is below.

On 20 July 2024, several transactions for over £700 were made from Mr D's account to his William Hill account using his Apple ID. Shortly afterwards, Mr D contacted Kroo. He said he hadn't done them, and someone must have accessed his phone, which contained his personal information. He added that he'd left his phone unattended with his belongings temporarily, and his bank card was missing. He wanted Kroo to reimburse him.

Kroo lodged Mr D's claim and delivered an outcome in October 2024. It said the evidence it had, didn't support the transactions were fraudulent, which is why it wouldn't be refunding him and had decided to close his account. Kroo requested details of where to send his closing balance and recognised it had taken too long to give him an answer on the disputed transactions, saying it was sorry.

Believing Mr D had carried out the transactions, which he'd then disputed, Kroo also recorded a fraud marker against him at Cifas for raising a fraudulent claim. Mr D found out about the marker and complained that he'd not done anything to warrant this, highlighting Kroo had upheld his complaint about how long it had taken to investigate the transactions. He said procedural failings like this, demonstrated that the fraud marker had been applied in error. Kroo reviewed the matter but was satisfied it had followed the correct process in closing the account and contacting Cifas, though acknowledged earlier delays.

Mr D went to Cifas, the national fraud database, to see if it could help. But Cifas didn't think Kroo had got the fraud marker wrong. In its response, it said:

"We agree that you reported fraud to Kroo in July 2024, but are satisfied that the claim you made was not genuine. We have reviewed the relevant technical data alongside your claims and are satisfied that you authorised the relevant transactions made to William Hill and falsely disputed these as not genuine."

Mr D asked us to take a look. An investigator gathered information from him, which included the following responses:

- When Kroo had closed his account, he was due to travel abroad and this had left him without access to money, wrecking his holiday.
- Since reporting the transactions in July, he'd been in touch multiple times to expedite his complaints and to get his money back, but Kroo had unduly delayed matters. This was pivotal to its approach on his case.
- His claim was entirely genuine.
- He used an iPhone, which he accessed using Face ID or a passcode.

- Though the phone was password protected, he believed someone was able to gain access to it whilst it had been left unattended. They'd then made the transactions and returned the phone.
- His William Hill account was also password protected.
- He'd received notifications of multiple failed attempts to access William Hill, which proved this was a case of fraud.
- His debit card was missing.
- He'd added Apple Pay to his Kroo account some time before and had genuinely made a transaction to William Hill on 16 July, before the disputed transactions began.
- He'd reported the transactions the same day.

The investigator considered this, but she didn't find what Mr D had provided about the transactions persuasive when considering some of the other evidence. She noted that he'd said his phone was password protected, yet a thief and fraudster had managed to get into it, make transactions to a merchant that he himself genuinely used and left a significant sum of money still in the account. She didn't think these were the actions of a fraudster or explained why the activity wasn't genuine. She believed the evidence showed that Mr D had most likely made the transactions and later changed his mind about them when he raised a fraud claim.

The investigator decided Kroo had enough evidence to support its conclusions about the claim and the fraud marker which followed. Therefore, she didn't recommend that it needed to do more.

Mr D disagreed. He believed the investigator had made several assumptions about the activity. He said passwords for his accounts, including William Hill were stored in his 'notes' and that he had nothing to do with this, beyond leaving his details vulnerable to misuse by someone else. He stated that he'd acted promptly, reporting the unauthorised activity but after submitting this, he'd been left in the dark for months, with no updates, and no way of defending himself. He considered the situation was unfair and Kroo in making mistakes had undermined its own decision-making.

When an agreement couldn't be reached, the case was put forward for a 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.

Our investigator in her outcome letter laid out Cifas's requirements to its members for placing a fraud marker. I won't repeat all that here, but I will highlight that Kroo must have reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted, and the evidence must be clear, relevant, and rigorous. So, in order to decide whether Kroo acted fairly, I need to determine whether it had enough evidence to meet the the standard.

Mr D is already aware that the marker was filed in relation to an alleged fraudulent claim. He doesn't believe Kroo has met the relevant threshold. However, having weighed all the information, I'm satisfied the evidence is clear, relevant, and rigorous enough for Kroo to justify its actions on the filing it made.

I've seen evidence from Kroo that Mr D's mobile phone was used to make the disputed transactions, using his Apple Pay ID. His evidence is that his phone was taken whilst unattended but there's no corroborating evidence of that, other than what he says. I also concur with the investigator that if the phone was password or face ID protected, how could someone have got into it. Shoulder surfing for a password is one theory, and I note what

he's said about there being failed attempts to get into his accounts. However, in the balance there are other compelling points that don't make this credible, such as, the thief and fraudster then arranged to return the phone (whilst there was still a fair bit of money in the account) and risked the possibility of detection. I'm afraid, I don't find Mr D's evidence satisfactory.

Ultimately, my role is to look at what both sides have provided and consider the weight of the evidence. Here, although Mr D has attempted to explain what he believes happened, the circumstances don't support this, rather they support the transactions having been made with his involvement, which is what Kroo found. This is also the answer that Cifas reached when Mr D went through its own complaints' procedure.

Raising a claim to get money back in these circumstances amounts to fraud. And I'm satisfied Kroo had enough information to support it recording this marker.

I can appreciate why Mr D might think raising the time taken by Kroo to investigate the transactions and its overall approach to his situation might assist him. But I don't think it does. It isn't material to whether the relevant tests have been met to file the fraud marker and close the account. And Mr D hasn't been deprived of the opportunity of defending himself as he's been able to refer his concerns to both Cifas and us for an independent review.

On the issue of closing Mr D's account, given why Kroo made the loading, I'm satisfied the immediate closure was in line with the account terms and conditions. I understand Mr D is upset with how Kroo handled matters but given the nature of the activity that gave rise to the closure of his account, it wouldn't be equitable for any inconvenience to be rewarded with compensation. Indeed, in the specific circumstances, I think Kroo's apology for the time it took was a proportionate response, noting that the remaining balance on the account was later returned. It follows that I won't be requiring the bank to do anymore.

I realise Mr D will be disappointed, but these are my conclusions, which completes our review of his 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 Mr D to accept or reject my decision before 4 November 2025.

Sarita Taylor
Ombudsman