

The complaint

Mr N complains about the service he received from Kroo Bank Ltd (“Kroo”) when he sent a payment to his Kroo account which triggered a security check. In particular, Mr N is unhappy that the in-app message referred to an option to cancel and return the payment but was not available to him and that when raising his complaint with Kroo it failed to follow Financial Conduct Authority (“FCA”) complaint handling rules.

What happened

On 4 November 2024 Mr N sent a payment of £4,883.20 from an account he held externally to his account held with Kroo to pay his credit card. This triggered a security check with Kroo and Mr N was asked to provide a reason for the payment. Despite an in-app message saying there was an option to cancel and return the payment, Mr N couldn’t find it on the interface. And due to the delay in making the payment Mr N made alternative arrangements to pay his credit card.

Mr N raised a complaint with Kroo about this and requested the funds be returned to the source as well as asking for an investigation and apology regarding the missing option. Kroo apologised and confirmed the payment had been returned as requested and asked Mr N to specify his complaint points.

Mr N was unhappy with this believing he’d already outlined the issue and on 7 November reiterated the request for an apology and investigation attached screenshots as evidence that there was no “cancel” button available and asked for an explanation why.

But Kroo failed to acknowledge and investigate his complaint and Mr N chased Kroo up about this on 21 February 2025.

Although Mr N accepts there was no direct financial loss caused by the delay in making payment, he says he spent time and resources chasing up the matter.

Kroo upheld Mr N’s complaint on 4 June 2025. It acknowledged that there was a failure to log Mr N’s complaint at the time it was raised attributing this to human error and that the cancel payment option was missing. Kroo paid Mr N £60 in recognition of the distress and inconvenience caused and have provided feedback to its product team with the aim of improving its processes and actively reviewing the issue regarding the missing cancellation option.

Mr N was dissatisfied with this as he says Kroo’s response mischaracterised his complaint incorrectly stating that he was unhappy the payment went into review, lacked transparency regarding feedback provided and failed to comply with FCA guidelines and so brought his complaint to this service.

Mr N wants our opinion on whether Kroo’s actions breached FCA’s fairness standards in complaint handling and for Kroo to provide detailed explanations for its failures and demonstrate the steps it’s taken to prevent a recurrence.

One of our investigators looked into Mr N's concerns and thought that as Mr N was able to make alternative arrangements to pay his credit card and didn't suffer any financial loss that the feedback Kroo provided to its team and the £60 compensation paid to Mr N for any inconvenience was a fair way to settle his complaint and in-line with our approach and FCA's complaint-handling requirements.

They explained that this services remit is to determine what is fair and reasonable in resolving individual complaints and that we don't have regulatory powers to investigate or enforce changes in a firm's broader practices as those matters fall within the responsibility of the FCA and as such suggested Mr N raise his concerns directly there.

Mr N remained dissatisfied. He says Kroo's final response does not address why his messages went unanswered or include any commitment to improve its handling of customer communications. Mr N wants Kroo to elaborate on steps taken to improve its service and for this service to highlight DISP guidelines to Kroo regarding this as has been done in other complaints that have been dealt with by this service.

And so Mr N has asked for an ombudsman's 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.

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And having considered everything I'm in agreement with our investigator and don't think there is anything much more of use I can add.

Mr N wants this service to highlight and advise Kroo on its regulatory responsibilities. But this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority. So I can't look at Kroo's internal complaints procedures or internal processes and tell it what it must do and even if it was in this service's power to do so. And as complaint handling isn't a regulated activity, we wouldn't be able to look at Mr N's complaint if it solely related to this.

My role rather is to look at problems that Mr N has experienced and see if Kroo has done anything wrong or treated him unfairly. If it has, I'd seek to put Mr N back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

In this case it's not in dispute that something went wrong at Kroo's end in the provision of an option on its interface to cancel a payment. And nor is it in dispute that Kroo failed to respond to Mr N's complaint regarding the matter until months after he raised his complaint and that he had to chase Kroo for an answer.

So what I need to decide is whether Kroo's apology, feedback and payment of £60 in this instance is a fair and reasonable way to settle Mr N's complaint. And I think it is.

Although I accept Mr N has been inconvenienced by Kroo's error, I'm not persuaded that the impact this had on him warrants an uplift on the compensation already provided. Things don't always go smoothly, mistakes happen and as stated above our role isn't to punish or penalise the businesses we cover.

And in any case my understanding is despite the cancellation option not being displayed on Kroo's interface as expected, that as soon as Mr N notified Kroo of this it was able to cancel the payment and promptly refund the funds to the original source as requested. Furthermore, Mr N has acknowledged there was no financial loss as he was able to make alternative arrangements to pay his credit card.

I appreciate Mr N's frustration at the lack of response or detailed answer provided by Kroo to his complaint. But as I've explained above, complaint handling isn't a regulated activity so this part of Mr N's complaint isn't something I can look at and agree that if Mr N continues to have concerns regarding Kroo's complaint handling and internal procedures he should raise this with the FCA.

And so on this basis I think what Kroo have already done to settle Mr N's complaint point regarding the lack of a "cancel" button is fair and I'm not going to ask Kroo do anything more.

My final decision

For the reasons I've explained, I think what Kroo Bank Ltd has already done to settle Mr N's complaint is fair and I'm not going to ask it do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 7 November 2025.

Caroline Davies
Ombudsman