

The complaint

Mr R complains Kroo Bank Ltd (“Kroo”) closed his account without proper explanation, and that its terms do not expressly give it justification to have done so due to gambling transactions.

Mr R says Kroo's actions have caused him distress, inconvenience, and concern his credit file has been adversely impacted.

What happened

The details of this complaint are well known by both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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 have decided not to uphold this complaint. I'll explain why.

Kroo is entitled to close an account just as a customer may close an account with it. But before Kroo closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Kroo and Mr R had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

It's known to both parties that Kroo closed Mr R's account with immediate effect due to it being used for gambling transactions. Kroo point to its terms and conditions for doing so. Mr R says, and has referred to the terms, that gambling isn't explicitly referenced as a reason for closing his account.

In its final response, Kroo explained that *“While our terms and conditions do not explicitly reference gambling, as a regulated financial institution, we reserve the right to restrict or close accounts where activity is inconsistent with our internal policies or risk appetite. We do not support gambling-related transactions, and this forms part of our broader approach to risk management and responsible banking.”*

So, the question I am posed with here isn't whether gambling was expressly referenced in the terms, but whether Kroo acted fairly and reasonably in applying its terms to do with closing an account. I also must consider if Kroo's actions were a fair and legitimate exercise of its commercial discretion which included who it does business with.

Importantly I note that Kroo gave Mr R warning that using his account for gambling could lead to restrictions. Given Kroo warned Mr R and those transactions continued, I'm persuaded Kroo exercised its commercial discretion in line with its internal risk appetite when closing Mr R's account in the way it did. I note from reviewing the statements that the account was used mainly for gambling related transactions. So I think the impact to Mr R

was limited by this given it didn't likely affect his everyday essential banking needs.

I know Mr R feels strongly about this but given he was given a warning and given the broader reading of Kroo's terms, and its ability to exercise commercial discretion in line with its risk appetite, I don't think it done anything wrong in closing his account.

Lastly, I haven't seen any evidence that Kroo's actions have impacted Mr R's credit rating.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 December 2025.

Ketan Nagla
Ombudsman