

The complaint

Mr R complains that Kroo Bank Ltd (“Kroo Bank”) has refused to refund the money he lost as a result of a scam.

He is represented by a firm of solicitors, but for simplicity I’ll refer to Mr R in this decision.

What happened

The background is known to both parties, so I will summarise the key points.

Mr R says he was introduced to a crypto-investment opportunity after seeing an online advert that appeared to be endorsed by well-known public figures. He says he carried out his own research, which generally produced positive reviews. He was then given access to an online platform that appeared legitimate and showed apparent trading “profits” and “losses”.

Mr R was persuaded to invest. He realised he had been scammed when he was repeatedly asked to make further payments to withdraw his money. By that stage, more than £40,000 had been sent from his new Kroo Bank account to accounts he held with other firms, and then on to the scam. Some of the funds were obtained through personal loans with various lenders. At one point, he was led to believe his “investment” had reached £195,000.

Mr R raised a complaint, which was later referred to this service. Our Investigator didn’t uphold it. In short, the Investigator found that Mr R had provided misleading information when questioned by Kroo Bank and his personal bank (“Bank L”) about the reasons for his payments. He wasn’t persuaded the scam would have been uncovered even if Kroo Bank had taken further steps. As the complaint couldn’t be resolved, it’s been passed to me 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 decided not to uphold it for similar reasons as the Investigator. Mr R will understandably be disappointed, but these are the key reasons for my decision.

Authorisation

In line with the Payment Services Regulations 2017, a firm is expected to execute authorised payment instructions without undue delay. It’s not in dispute Mr R authorised the payments in question. The starting position, therefore, is that he is liable for them in the first instance.

Prevention

I accept that Kroo Bank should have intervened, and that it should arguably have done so more often than it did, given the value of some of the payments and the elevated risk associated with the type of payee. However, I’m not persuaded that proportionate and timely

interventions were likely to have succeeded in uncovering the scam, particularly given the apparent level of influence the scammer had over Mr R.

As the Investigator explained, Mr R gave misleading information when questioned by both Kroo Bank and Bank L. When Bank L first intervened on 20 January 2025, Mr R said he wanted to transfer £9,990 to his existing Kroo Bank account. He confirmed that he had not received any suspicious calls or messages and that he had not been advised to open the Kroo Bank account. As the funds came from a loan, he also confirmed that no one had asked him to take out the loan. He said the money was intended for house renovations.

During a further call with Bank L on 24 January 2025, Mr R said he had opened the Kroo Bank account to keep money separate for building and renovation work. He provided details of the planned renovations, including estimated costs and the name of a builder. Later the same day, he again said the payments were for renovation work. When asked why he had opened the Kroo Bank account, he said he also intended to use it for travelling. Bank L explained that its checks were intended to help prevent customers from falling victim to scams. Mr R confirmed that he had not been contacted or asked to mislead by anyone, and that he was not moving the money for any reason other than those he had given.

Kroo Bank also intervened in relation to Mr R's final and largest disputed payment of £12,000 on 31 January 2025. This payment was a transfer to his Bank L account. Mr R again said the funds were for home improvements to be carried out over a few months. He also confirmed he had opened the Kroo Bank account for savings and day-to-day use.

I recognise Kroo Bank had a different set of information available to it than Bank L when assessing risk. Had Kroo Bank intervened on some of the earlier payments it would probably have identified Mr R was sending funds to a crypto-platform, which would have made his stated purpose of funding building work appear unusual. I'm also mindful of the value of timely intervention. However, the scam chat shows Mr R had been in contact with the scammer since at least November 2024. It is also clear that calls took place, that Mr R sought guidance from the scammer, and that he was willing to follow that guidance. This included taking out loans and opening new bank accounts to continue making payments.

In my view, Mr R was heavily under the scammer's influence. I'm not persuaded he would have been deterred from continuing to make payments, or that he would not have found ways to avoid disclosing the truth or to open new accounts if necessary. It is also significant that he continued to mislead banks and make payments despite apparent scam concerns raised by family members. So, while I'm very sorry Mr R was the victim of a scam that has affected him deeply, I can only hold Kroo Bank responsible for his losses (or part of his losses) if I'm satisfied it could likely have prevented them. For the reasons I've given, I do not think that is the more likely scenario here.

My final decision

For the reasons given, I don't 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 6 May 2026.

Thomas Cardia
Ombudsman