

The complaint

Ms W complains that Starling Bank Limited (“Starling”) aren’t communicating with her in line with her communication needs. She also complains about their handling of disputes she has raised and about their decision to close her account.

What happened

The facts of this complaint are well known to both parties. So, I won’t go into much detail about the background but will summarise the key points leading to Ms W’s complaint. Ms W held an account with Starling and asked them to put in place reasonable adjustments to support her with her disabilities. This included contact by email only and within the hours of 9.00am to 5.00pm, Monday to Friday. Ms W says, due to her disabilities, she spends much of her time at home and does most of her shopping online. Ms W says she has raised a number of disputes with Starling but feels their communication has been confusing and they’ve been unhelpful.

Ms W raised these complaints with Starling and they responded and explained they do have a note on their system setting out Ms W’s preferred mode of communication and times. They said, while they’re doing their best to meet Ms W’s requirements, customisation is limited on their systems and they’ve previously explained that due to this, they’re unable to guarantee that all communication will be via email at Ms W’s requested times. Starling say, with this in mind, whilst they empathise with the frustration and inconvenience Ms W has experienced, they’re unable to uphold this element of her complaint.

Starling apologised Ms W was left waiting without acknowledgement of her emails in relation to a dispute with company G. In relation to a dispute involving company S, Starling said the correct process had been followed for reversing this transaction so they’re unable to uphold this element of Ms W’s complaint. But, they acknowledged that their agent could’ve been clearer in explaining that the timeframe for a pending balance to clear was 30 days and not eight days, and they apologised for any inconvenience this caused.

Starling also gave Ms W 60 days’ notice to close her account. Ms W then raised a complaint about Starling’s decision as she felt this was down to her disabilities. Starling then emailed Ms W and explained they have a note on their system recording Ms W’s disabilities and communication needs. They said they’re reviewing their records and asked Ms W if she’s happy for this note to remain on her account or if she’d like to remove or amend it. Given that Starling had already made the decision to close Ms W’s account, Ms W felt this was an attempt by Starling to remove any record of her disabilities if they’re later questioned on their reasons for closing the account. Ms W also raised concerns about other disputes.

Our investigator looked into things for Ms W. She thought Starling had made errors and recommended they pay £300 compensation to Ms W, send clear updates to Ms W about any outstanding disputes and support Ms W with the conclusion of these, and send correspondence to Ms W within the times she has requested. Ms W agreed with our investigator’s recommendation but Starling, while responding, haven’t agreed, so the matter has come to me 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.

Having done so, I've decided to uphold the complaint. And, I think the investigator's recommendation is a fair way to resolve matters. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. I can see both parties have raised many points and I wish to assure them that I've considered all points raised but I've only commented on those points which I feel are relevant to my decision. I mean no discourtesy by this, but rather it's to reflect the informal nature of our service.

There's a number of individual complaints but for simplicity and to keep things clear, I've categorised these in broad themes. Again, I mean no discourtesy, but it's to reflect the informal nature of our service.

Communication

There's no dispute that Starling are aware of Ms W's disabilities and her communication needs – those communication needs are contact by email only and between the hours 9.00am to 5.00pm, Monday to Friday. Ms W says Starling have failed in their duty to make reasonable adjustments under the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable in the circumstances.

Starling say Ms W's communication needs are recorded on Ms W's account and should be followed whenever they contact her. Starling say they don't have the means to send emails automatically as their primary communication method is via the app. Starling say Ms W will still receive messages in the app as this isn't a service they're able to switch off. They say they'll do their best to make sure all written messages are also sent by email, but there may be times that it doesn't happen due to an automated message or their agent not selecting the email option. They say, as this involves their agents manually selecting that each message they send is also sent by email, it may be the case that occasionally Ms W might receive an in-app message without an accompanying email. They say, if this occurs, Ms W should let them know and they'll send the message by email. They say, whilst they're doing their best to meet Ms W's requirements, customisation is limited on their systems and they've previously explained that due to this, they're unable to guarantee that all communication will be via email at Ms W's requested times.

Ms W has told us that, in order to manage her disabilities, she deals with her time in segments which is why it's important that Starling adhere to her communication needs. Ms W says the impact on her when this isn't followed is significant and stops her doing other daily activities.

I appreciate system limitations can sometimes prevent a business from switching off automated communication. And, I understand Starling's primary communication process involves an in-app message which they're unable to prevent. I can also see there have been automated emails sent to our service in response to an email from our investigator. Again, this appears to be a system generated email which I understand Starling aren't able to prevent. I do think however that Starling have tried to assist Ms W by putting in place a manual process which accommodates Ms W's requirements by sending an email as well as an in-app message.

That said, I do think there has been an error here. Starling say they operate a service 24 hours a day, and seven days a week. So, I can understand automated in-app messages and

emails might be sent to Ms W if she sends an email to Starling outside of her requested hours. I have however seen emails which have been sent to Ms W which aren't automated and have been sent outside of the hours requested by Ms W. An example is an email dated 20 August 2021 which was sent at 5.30pm. This email talks about a review to Ms W's account to ensure the support they have in place is still relevant. There's another email on 21 August – which is a Saturday – saying Ms W's account has been updated. These are manually written emails which have been sent outside of the hours, and days, requested by Ms W. While I note Starling's comments that emailing Ms W at the requested times is a highly manual process and can't always be done – I only accept this argument in the context of automated emails, and not emails which clearly, as shown in the examples I've noted, have been manually written. Ms W has told us about the impact on her when she receives emails outside of her requested hours so I can understand why this had a significant impact on her.

I can see Starling have asked to speak with our investigator via a video call or the deciding ombudsman to discuss, and show, how their systems work. I acknowledge Starling's request but I don't feel this is necessary as I've already considered the point about Starling's system limitations which doesn't prevent automated communication from being sent.

Handling of disputes

Ms W has raised a number of disputes and I can see she has provided Starling with information from the merchants to support her disputes. Ms W says any communication needs to be clear and unambiguous. In my view, and given the number of disputes Ms W raised, I'd expect any communication from Starling to be timely and include which dispute they're referring to, clear timeframes and next steps. Looking through the information provided, I can't see that's always been the case.

In Starling's complaint response in August 2021, they accept they made an error when handling Ms W's dispute about company G and apologised Ms W didn't receive the customer service she's entitled to and that Ms W was left waiting without acknowledgement of her emails. Starling also accept there was an error in their handling of Ms W's dispute about company S. Starling accept their agent could've been clearer that the timeframe for clearing a pending balance was 30 days and not, as Ms W had been informed, eight days. They apologised for any inconvenience this has caused. Starling say the correct process was followed for reversing this transaction but they appreciate that being unable to utilise the funds within the account and waiting for a conclusion to the matter can be a frustrating and distressing experience for which they apologise. Starling also say a dispute was raised with them in August 2021 which was incorrectly linked to another dispute Ms W had ongoing at the time and wasn't raised as a retail dispute when it should've been. The position was corrected over two weeks later and Starling apologise this wasn't rectified sooner. For this last issue, Starling offered Ms W £50 compensation.

In addition to this, I can see Ms W has been asked by Starling to provide information she's already sent to them and emails which contain only a reference but without further details about which dispute it relates to. I can see there's also confusion created by Starling responding to emails from Ms W but discussing a different dispute to the one Ms W has raised a query about.

For example, Ms W raised a query about her dispute with company B and Starling respond with an update about company G. I can see our investigator had to speak with Starling to understand the position on the outstanding disputes and what information was required for each – so I understand why this became overwhelming for Ms W to the point that she couldn't clearly identify what was happening with each dispute.

I understand it will be frustrating to receive a number of requests for information from Starling but I don't think it's unreasonable for them to ask for further details and evidence to help prove Ms W's dispute.

Taking this all into account, I think there have been errors by Starling in their handling of Ms W's disputes. So, I think they should pay compensation for the upset and frustration caused to Ms W. In addition to this, I think Starling should provide clear communication in relation to any outstanding disputes and let Ms W know if any money will be sent to her new account following a successful dispute.

Closing Ms W's account

In their complaint response in August 2021, Starling informed Ms W they're closing her account. They say, under the terms and conditions of Ms W's account, they can withdraw banking facilities by giving Ms W notice in writing, and in-line with company policy, they don't elaborate further on how they've reached this decision. Starling say they can't provide any further information on this decision and their Customer Service team will be unable to provide any further clarification on this matter. Starling say Ms W's account will be closed in 60 days, and they set out steps Ms W will need to take for privacy and security purposes, as well as to prevent any issues with payments. Ms W switched her account within this time, so the account was closed before the end of the 60 days.

I accept the terms and conditions allow Starling to end their banking relationship with Ms W and a bank is entitled to do so without giving a customer a reason for this. But, our service can look in to the circumstances as to why the account has been closed and the reason. Starling's decision to close Ms W's account is set out in their complaint response which also talks about how Starling can't guarantee that all correspondence will be via email at the times Ms W's indicated, so she may also wish to consider whether their service meets her needs. Therefore, I understand why Ms W believes Starling's decision has been based on her communication needs. I accept there might be circumstances where a business feels a customer's communication requests are unreasonable or difficult for them to adhere to – but I can't see that should've been the case here.

I don't think Ms W's communication needs are unreasonable as it's in line with the usual working hours and days for most places of work. I accept Starling can't control an automated response being sent to Ms W if she emails outside of her requested hours, but they can control, and prevent, any manually written emails from being sent outside of Ms W's requested hours. So, while I don't think Starling's decision was fair, I also think there's an issue here with the timing of Starling's decision and the way in which it was communicated. That said, it's clear from more recent communication that the relationship between Ms W and Starling has broken down. So, taking this into account as well as the fact that Ms W has opened an account with another bank, I don't think it's reasonable in the circumstances of this complaint to ask Starling to re-open Ms W's account.

I can see that four days after sending this email to Ms W, Starling email again and explain to Ms W they have a note on their system describing Ms W's disabilities and her communication needs. They say they're currently reviewing their records and ask Ms W if she's happy for them to retain this note on their system or if she would prefer to remove or amend it.

Ms W responds and says Starling are attempting to remove any record of her disabilities from their system so it doesn't appear as though this was the reason for closing her account. Starling respond and explain they contacted Ms W as part of their review to support customers by checking any requirements are still appropriate for them. They do accept this shouldn't have been sent to Ms W in view of the notice to close her account.

I don't think there's anything inherently wrong with a business having a process which involves reviewing accounts regularly to see whether any customer needs are still appropriate. In fact, I think it's a positive approach to take as customer needs can change over time. But, given that Starling had issued a notice to close Ms W's account only a few days earlier, I don't think the timing of this email was reasonable. And, it's clear this email is manually written and not automated so it was within Starling's control not to send this.

Putting things right

I've taken the view that Starling have made errors in their communication with Ms W, their handling of her disputes and their decision to close her account. So, Starling should pay Ms W compensation of £300 for the upset and frustration caused. I can see Starling have made an offer of £50 already which they say they would credit into Ms W's account. I haven't been provided with any information about whether this has been paid to Ms W but, if it has, then Starling should pay an additional £250 compensation to bring the total to £300.

Starling should also send Ms W an update on any outstanding disputes with clear information identifying which dispute it relates to and the current position. This should continue through to the disputes being concluded. Starling should also continue to correspond with Ms W by email and in line with her requested times. I'd also ask Starling to keep in mind the nature of the communication they're sending. So, if they send a detailed update which requires a response from Ms W then to send this at a time which gives Ms W sufficient time to read the email and respond by 5.00pm on that day.

My final decision

My final decision is that I uphold the complaint. Starling Bank Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 27 April 2022.

Paviter Dhaddy
Ombudsman