

The complaint

Mr Y complains that Starling Bank Limited did not decrease his withdrawal limit.

What happened

Mr Y contacted Starling Bank on 3 February 2022 and asked to decrease his cash withdrawal limit on his account to £50, instead of £300. There was some initial confusion as the customer service agent thought Mr Y was asking to increase the limit. However, Mr Y was informed on 4 February that the cash withdrawal limit was fixed and could not be increased or decreased.

Mr Y was unhappy with this and requested a call back from a manager, which was not arranged as requested. Mr Y then asked for a complaint to be raised but there was some confusion with the agent, and this was not officially raised until 8 February.

Starling Bank issued a final response letter in which it explained the agent was correct when they said the cash withdrawal limit is fixed and cannot be changed. But they acknowledged that the customer service was not as good as it could have been in parts so paid Mr Y £30 for the distress and inconvenience this caused him.

Mr Y referred the complaint to our service and our Adjudicator looked into it for him. They felt that the offer made by Starling was fair in the circumstances and did not think they needed to take further action.

Mr Y disagreed with this as he did not feel the Adjudicator had considered everything. And he felt that if he did not agree with the £30 compensation it should not have been paid to him.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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 agree with the Adjudicator for largely the same reasons. I'll explain why in more detail.

I've first considered the request to decrease Mr Y's withdrawal limit. Mr Y has explained this was due to him trying to control his spending habits and he mentioned he had placed a gambling restriction on his account previously. Starling Bank has confirmed the gambling block was applied in April 2021.

While I appreciate Mr Y was trying to proactively limit his spending, I have to consider that his request to decrease his withdrawal limit was not a feature Starling Bank was able to

amend. Because of this, I can't agree that they have made an error in declining Mr Y's request.

I've gone on to consider the subsequent communication and delays between Mr Y and Starling Bank. I can see that despite the initial confusion, Mr Y was clearly told that the cash withdrawal limit could not be decreased the day after he initially asked the question. Considering this, I think Starling Bank informed Mr Y of this within a reasonable timeframe.

I can see that there was some confusion over the raising of a complaint, but I think the miscommunication has come from both parties after reviewing the contact logs. Regardless, Starling Bank have accepted that their service was not up to the usual standard.

Having considered the minor delays, I do think the £30 compensation already offered and paid is in line with what I would have recommended on the circumstances. So, I think the offer is fair and I don't instruct Starling Bank to increase this. I appreciate Mr Y feels he should not have been paid the £30 if he did not agree to it, but this is not an unusual approach to complaint handling and I don't think Starling Bank have acted unreasonably in paying him the £30 prior to acceptance.

My final decision

I do not instruct Starling Bank Limited to take further action on Mr Y's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 15 May 2023.

Rebecca Norris
Ombudsman