

## **The complaint**

Mr F and Ms S have complained that Starling Bank Limited (“Starling”) hasn’t acted fairly in not seeking a return of money paid from their joint bank account.

## **What happened**

Mr F and Ms S hold a joint bank account with Starling. In November 2022, Mr F used a debit card to pay £29.90 for broadband services from a supplier (“the Supplier”). But he cancelled his subscription before the services were installed and the broadband supply started.

Mr F contacted Starling to raise a dispute about the money the Supplier retained. But Starling responded around two weeks later to say it was not able to raise a chargeback – the method by which settlement disputes are dealt with between parties – due to the Supplier’s terms and conditions.

Mr F complained that Starling had acted unfairly in not doing more, but it turned down his complaint. Unhappy with the response, he came to our service.

One of our investigators considered the complaint, but didn’t think Starling needed to do anything further. She thought the Supplier’s terms made clear that some charges weren’t refundable. She explained that under the chargeback scheme, Starling should only raise a chargeback if it was likely to succeed and, because of the Supplier’s terms, any chargeback for the money kept was likely to fail. Given that, she didn’t think Starling had done anything wrong.

But Mr F disagreed. He explained that he thought the Supplier’s terms were unfair and in breach of his consumer rights. In particular, he didn’t think it was right that the Supplier kept a payment for a service that was never provided. So 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.

For the avoidance of doubt, it isn’t my role to determine what the outcome of a chargeback claim would have been if Starling had made one. Rather, it’s to consider whether Starling acted fairly in deciding not to make such a claim based on Mr F’s request.

The chargeback scheme sets rules by which claims can be made. And when making a claim, the bank has to say under which provision it thinks its customer is entitled to the return of the money paid. Here Mr F paid the Supplier to provide a service, but then cancelled the agreement before the Supplier was due to start providing that service. But this doesn’t fit with either the Supplier not providing a service, as Mr F cancelled it, or the Supplier not refunding money when it said it would, as it never said it would refund anything.

Here, Starling looked at the evidence provided by Mr F. There is an email from the Supplier

to Mr F that states that he could cancel the order within fourteen days from the date the service starts but he would have to pay for any chargeable services used up to the date of cancellation. Mr F has also provided an email receipt from the Supplier, showing that he had paid £19.95 for broadband activation and £9.95 postage and packaging.

Starling also considered the Supplier's terms that read:

***“Exercising your right to change your mind in accordance with the Consumer Contracts Regulations 2013.***

*10.3.1 You may cancel within 14 days after the later of the date the equipment (if any) is delivered to you, and the date we write to you to confirm we accept your order.*

*10.3.2 If you cancel within this period, you must:*

- (a) pay for any services received up to the date that you told us you wanted to cancel;*
- (b) pay any installation, connection or activation charges associated with the cancelled service (including the full cost of charges that were discounted or advertised as free as a condition of taking services on the terms that you agreed); and*
- (c) return any equipment to us (undamaged, in its original packaging and at your own cost and risk) within 14 days of you telling us you want to cancel.”*

Starling thought that the Supplier was applying its own terms to say it was entitled to keep the payments made. Having looked at the terms, I can't say Starling was acting unfairly or unreasonably when coming to that conclusion.

Mr F argues that the Supplier's terms were unfair and in breach of consumer protection legislation. That may very well be the case, but unfortunately that is something in dispute between Mr F and the Supplier and is outside the scope of the chargeback scheme. Here, I think Starling acted fairly in assessing Mr F's concerns and deciding not to attempt a chargeback claim.

**My final decision**

I don't uphold Mr F and Ms S's complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Ms S to accept or reject my decision before 16 February 2024.

Mark Hutchings  
**Ombudsman**