

The complaint

Mr H lost over £100,000 from accounts with two of his banking providers to an investment scam. He complains that Starling Bank Limited won't refund £6,000 he sent from his Starling account to the scam.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the 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 don't uphold Mr H's complaint for the following reasons:

- It isn't in dispute that Mr H authorised five faster payments totalling £6,000 between 29 July 2022 and 25 August 2022 from his Starling account towards what he believed was a legitimate investment opportunity with a company I'll call 'V'. The payments were requested by him using his legitimate security credentials, and the starting point is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Starling should have done more to identify that Mr H could be falling victim to a scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly unusual and out of character.
- Starling has explained that this account was a new account and was only opened for a week prior to the first payments being made, so it didn't know what Mr H's normal spending activity was. I think this is reasonable.
- I've noted that when Mr H set up the initial faster payment, he was given a written warning by Starling, this appears to be based upon Starling being unable to confirm the payee Mr H was paying. The warning appeared to be relevant for a safe account scam and I think this was a proportionate warning based on Starling being unable to confirm the payee details.
- I've further noted that one of Mr H's payments of £2,000 on 29 July 2022 did trigger and Starling asked further written questions. Amongst other things, Mr H was asked to *'Always research a company and check reviews from other people. If the investment returns sound too good to be true – this could be a scam.'* Mr H was provided a link to the FCA register.
- I've noted that Mr H had already received warnings from the bank he sent the majority of the funds from – which included checking the FCA register and Mr H confirms he did this prior to Starling's intervention.
- In my judgement, the warnings from Starling in relation to his £2,000 payment was relevant to the scam Mr H had fallen victim to. But Mr H believed he was dealing with V which is a legitimate company. He didn't realise that he was actually dealing with a

clone of V and so I don't think Starling's questions could have reasonably uncovered the scam. But I do think the questioning from Starling based on the £2,000 payment was proportionate and I don't think it was required to go any further. And as Mr H explained he understood the warnings provided and proceeded with the payment, I don't think Starling should have reasonably intervened in any further payments. They were of relatively low value and I don't think there were any obvious indicators that Mr H could have been falling victim to a scam.

- I think this was a very sophisticated scam and I think it would have taken significant probing on Starling's part to potentially unearth it. I'm not satisfied the payments made by Mr H from a relatively new account warranted such questioning from Starling. The warnings it did provide were reasonable under the circumstances.

I appreciate this will likely come as a disappointment to Mr H, and I'm sorry to hear he's been the victim of a cruel scam. But I don't think it would be fair or reasonable to hold Starling responsible for his loss.

My final decision

My final decision is, despite my natural sympathies for Mr H's loss, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 April 2024.

Dolores Njemanze
Ombudsman