

The complaint

Mr H says Starling Bank Limited (“Starling”) refuses to refund him for a transaction on his account he says he didn’t authorise.

What happened

Mr H says he was abroad and at a bar when he was notified about a transaction on his account in the amount of £874.93 on 30 June 2023, which he says he didn’t make. Mr H says he had been in the bar the disputed transaction was made at and had made smaller transactions earlier. But Mr H clearly says he did not authorise the transaction for £874.93.

Starling says the transaction in dispute was carried out via Google Pay on Mr H’s registered device. Mr H hadn’t said his device was stolen that night, and he said his phone is secure, and not open to anyone to access. Therefore, Starling has decided to hold Mr H liable for the transaction and hasn’t refunded it.

Our investigator considered Mr H’s complaint and decided not to uphold it. Mr H wasn’t happy with this, so the complaint has been passed to me to consider.

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.

A consumer should only be responsible for transactions made from their account that they’ve authorised themselves. Mr H said he didn’t give any permission for the transaction in dispute to be made but Starling believes he did. My role is to look at all the evidence, and then reach a decision that takes this into account and is fair to both parties. That means I consider Starling’s position as much as I do Mr H’s. And the key question here for me to consider is whether the evidence persuades me the transaction was authorised by Mr H, or on his behalf with his consent.

On the outset I would like to say I am sorry about the injuries Mr H sustained when he challenged this transaction at the bar, and the distress this must have caused. I’ve seen the hospital report and the correspondence with the police, and I don’t doubt what he’s said about how he was treated by the bar staff. However, the key facts I need to establish is whether or not it’s likely the transaction was correctly authorised.

The evidence provided by Starling shows the transaction was made via Google Pay on Mr H’s registered device. Which means that Mr H’s actual device was needed to complete this payment, by touching it to a card reader while Google Pay was enabled. Mr H has said that his phone was secured, requiring biometrics or his passcode to be opened which could’ve only been done by Mr H himself. And it was made in the same location where Mr H says he made other genuine payments over the course of about an hour on the night of 30 June 2023. So, the evidence strongly suggests Mr H made the payment himself.

Mr H has made it clear that he’s *not* saying he made this transaction but doesn’t agree to the

amount, he is saying he didn't agree to the transaction at all. However, it is difficult for me to uphold this complaint based on what he has said alone, and in the face of such clear evidence to oppose this.

Mr H suggests that perhaps someone at the bar took his phone and used it without him realising and then replaced it. But Mr H's last genuine payment to the bar was at 11.29pm and the disputed payment took place at 11.38pm. This means Mr H is suggesting that in a matter of minutes someone could've taken his phone, used it and replaced it without him noticing and in time for him to receive the notification of the £874.93 payment to his phone. While this is possible, it still doesn't explain how that person would've unlocked his phone to use Google Pay. So, it still seems more likely Mr H authorised this transaction.

I've considered Mr H's points about it being unlikely he would've caused such a conflict at the bar if he had authorised the transaction himself. And I agree that this isn't the response I would expect from someone who had just knowingly made a payment. However, the evidence clearly shows Mr H's Android device was used to make the Google Pay transaction. The same device that had been registered on his account since November 2022. He was on a night out and had been drinking and I think it's possible the staff took advantage of him and possibly overcharged him for the last payment, or convinced him to make a payment without him realising that he was doing so. However, I cannot hold Starling responsible for this.

I know this outcome will come as a disappointment to Mr H. But overall, I am persuaded that the payment was made on Mr H's device using his Google Pay, and I think it's more likely than not this was done while the phone was in his possession. So, it follows then that it is more likely than not that Mr H authorised this payment.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 December 2024.

Sienna Mahboobani
Ombudsman