

## **The complaint**

Mr C complains about the way that Starling Bank Limited managed his bank account. Mr C wants Starling to pay more compensation than it has paid to date.

## **What happened**

Mr C has a current account with Starling. In early December 2023, he transferred £20,000 from his Starling account to an account held by his wife. Starling then asked a series of in-app security questions which he answered.

Mr C later tried to transfer £65,000 to an account he held elsewhere but found Starling had restricted his account, leaving him with access to only a small amount of money. Starling had also not transferred money to Mr C's wife.

Mr C contacted Starling using their live chat facility and a time to speak with the fraud team was arranged. Over the course of a few days, Mr C says Starling failed to contact him, leaving him stressed out and unable to attend an operation due to high blood pressure.

During the time that Mr C's account was frozen, he lost out on interest he would otherwise have earned on the money he wanted to transfer.

Mr C wanted Starling to explain why it froze his account. He says Starling told him that customers are being coached to lie to security questions. Mr C thought £500 compensation better reflected the inconvenience caused and interest lost.

Starling told Mr C that over the course of a few days, its fraud team made several unsuccessful attempts to speak to him. After Starling sent Mr C a message to arrange a best time to speak, it called him the next day and the block was lifted and the payment made to his wife on 13 December 2023.

Starling agreed the level of customer service Mr C received fell short of what he could expect. For this it paid a total of £200 to apologise.

Our investigator thought Starling's response to Mr C's complaint had been fair. He noted that before switching to Starling, Mr C had asked detailed questions about moving large sums of money as his previous bank had let him down on several occasions.

Our investigator didn't think it unreasonable for Starling to want to conduct a manual review before approving the £20,000 transfer of funds.

Our investigator said he wouldn't expect Starling to share the reasonable grounds it had to stop the payment as this was commercially sensitive information. He agreed that Starling had given Mr C unrealistic timescales for call backs but thought £200 compensation for the poor service was fair.

Mr C was unhappy with the investigation outcome. He asked whether it was acceptable for Starling to have blocked his account and then made it impossible to contact anyone to resolve the problem. Our investigator didn't think it was impossible for Mr C to speak to

Starling as it had tried to contact him on the day it blocked his account.

Mr C remained unconvinced that Starling tried to call him back when it said it did. Our investigator said he could see Starling did try and call Mr C back on the day it blocked his account. Our investigator shared the evidence from Starling.

Mr C commented that part of the evidence our investigator provided was redacted, making it difficult to see whether Starling had used his mobile or landline number. He said his mobile phone provider has no record of incoming calls between 1 and 15 December 2023. And Mr C's landline call blocking service has no record of any incoming calls on 8 December 2023.

Mr C says that it's unreasonable for Starling to expect him to be at the end of the phone hours after the call back time he requested.

### **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.

Although I may not comment on each and every point Mr C has raised, this doesn't mean I have not read and considered everything that's been provided. Instead, I have focussed on what I consider to be the key points. This is not intended as a discourtesy – it simply reflects the informal nature of this service.

I appreciate it was frustrating and inconvenient for Mr C when Starling held the transfer up for manual checks. Particularly at a time when he was due to go into hospital. However, while Starling is obliged to follow Mr C's instructions and process a payment, there is also a requirement on account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Mr C wanted to transfer £20,000 shortly after he'd received a considerable sum of money into his account. Seeking to transfer a large amount of money is one of the possible indicators that a customer might be at risk from fraud or financial harm.

Although Mr C had answered some questions about the transaction through the app, Starling wanted to carry out a manual check. I'm satisfied that in Mr C's case, Starling had a legitimate concern about the transaction which led it to conduct additional checks.

Starling's records indicate that on the same day that Mr C tried to make the transfer, it sent him a message around 2:30pm before calling him a few minutes later. The calls went straight to voicemail, so Starling messaged again. As Starling did not hear back, it sent a final message later in the day to say it had restricted his account.

The terms and conditions of Mr C's account, permit Starling to put in place restrictions in certain circumstances, such as where it suspects someone else is using the account without his authority. As its attempts to contact Mr C had failed, I think it was reasonable for Starling to restrict his account until such time as it could speak with him.

I can see Mr C is doubtful that Starling tried to call him on 8 December 2023, particularly as he doesn't have a record of this on his mobile phone. And his mobile phone provider says it has no record of any calls between 1 and 15 December 2023. In cases like this, I reach my decision on the balance of probabilities. That means I will look at all the available evidence to decide what I think is most likely to have happened.

The redacted entry that Mr C refers to is not his telephone number but the name of a member of staff at Starling. So, although the notes don't include the number Starling rang, I think it likely it used his mobile number as this is the number it holds on file.

I appreciate Mr C's mobile provider says there is no call history between 1 December 2023 to 15 December 2023. But my understanding from contacting the mobile phone provider, is that the call history record is a record of outgoing rather than incoming calls. Incoming calls would be logged on Mr C's mobile phone. But as the log can only store a certain number of records before they are deleted, I don't find it surprising that the incoming calls from Starling no longer appear on Mr C's phone. Based on the evidence I have seen; I still find it more likely than not that Starling called Mr C on 8 December 2023.

I am sorry that Mr C was inconvenienced and upset by the entire process, but I don't consider Starling acted unreasonably when it held up the transfer and then restricted his account. Although it took longer than Mr C would have liked to complete the transfer and fully lift the account restriction, I'm satisfied that Starling took reasonable steps to contact Mr C when it sent him in app messages alerting him to upcoming calls from the fraud team.

I can understand that Mr C wasn't always available to speak with Starling and that he usually switches his mobile phone off. But Starling is a digital bank which relies on customers having access to their mobile app to receive messages and notifications about their account. So, I don't think it was unreasonable of Starling to have expected Mr C to receive the notifications it sent.

Given the way the fraud team works at Starling; it can't usually agree a specific time for it to call a customer back. It's unfortunate that Starling sometimes agreed with Mr C that the fraud team would call back at a certain time when it should not have done so. This resulted in additional frustration and wasted time. Starling agrees that its customer service let Mr C down and that mistakes were made. But I'm satisfied that Starling's compensation payment of £200 fairly reflects the impact these failings had on Mr C.

Overall, I don't find Starling acted unfairly when it restricted the account, so I don't require it to refund interest that Mr C may have earned elsewhere or pay additional compensation. I agree that Starling should have done a better job of managing expectations and sticking to agreed call back times, but as I've said above, for this failing in customer service, I consider £200 compensation is fair.

### **My final decision**

My final decision is that I don't uphold this complaint in the sense that I consider Starling has already done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 May 2024.

Gemma Bowen  
**Ombudsman**