

The complaint

Mr D complains Starling Bank Limited (“Starling”) refuses to refund him for transactions on his account he says he did not authorise.

What happened

Mr D says that several transactions between September and December 2023 were made on his account without his authorisation. All the transactions in dispute were made to online gambling sites, and Mr D says he doesn’t hold an account with any of these sites.

Starling has said it thinks Mr D is responsible for these transactions. It says the transactions were carried out on devices linked to his account for genuine use and via the same IP addresses as undisputed transactions. Starling also says some of the transactions were authorised via the Starling app and Mr D’s biometrics or passcode would’ve been needed to access his app.

Our investigator considered this complaint and decided not to uphold it. Mr D disagreed 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.

Generally speaking, Starling is required to refund any unauthorised payments made from Mr D’s account. Those rules are set out in the Payment Service Regulations 2017. Mr D has said he didn’t carry out the transactions in dispute. So, I have to give my view on whether I think Mr D did authorise the transactions or not.

Mr D’s evidence is that he did not make these transactions. He says he does not have an account with the companies the payments were sent to, and he has not given anyone else authority to make these transactions on his behalf. But based on the evidence I’ve seen I think Mr D is responsible for these transactions, I’ll explain why.

Starling have provided evidence that shows the devices linked to Mr D’s account which have been used to make authorised transactions in the past and carry out genuine activity on his Starling account. These are the same devices that are shown to have made the disputed transactions. This evidence also shows the IP addresses used for Mr D’s transaction history. Again, the evidence shows that the IP addresses used for disputed transactions are the same IP addresses that had also been used for previous undisputed activity. So, I am satisfied that the transactions were carried out using Mr D’s trusted devices.

Mr D hasn’t provided any evidence of his phone being lost, stolen or compromised in anyway. I have seen some information about Mr D allowing his housemates to use his phone at times but that still doesn’t explain how such a large number of transactions could’ve taken place using Mr D’s device without his authorisation. Some of the transactions required additional authentication via the Starling app. And these transactions were only

completed after this additional step was approved. It's likely Mr D would've had a passcode to his phone and Starling have confirmed their banking app would've required a passcode or his biometrics to access it. So even if Mr D had allowed others to use his phone at times, this doesn't explain how they would've been able to access his Starling app to approve any transactions.

There are a lot of transactions in dispute here, carried out over the space of about three months. These transactions are seen on the account amongst undisputed general spending. But the transactions in dispute total a large amount of the outgoing funds, so had Mr D not been responsible for these himself, I think it's likely he would've noticed the effect on his account balance and flagged them earlier. In addition, the activity on the account suggests that the disputed transactions were being funded by incoming cash transfers from Mr D's other account and from family members. I say this because there are a few examples where the transactions start shortly after a cash transfer into the account – suggesting the person making these payments is aware of the account activity. This is not what we usually see when a fraudster has access to someone's account, and it seems more likely that these transactions were authorised by Mr D himself.

Overall, I am not persuaded these transactions were unauthorised, so I won't be asking Starling to refund them.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 July 2024.

Sienna Mahboobani
Ombudsman