

The complaint

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

What happened

Mr D has asked Starling to refund him for an unauthorised transaction from his account in December 2020, totalling £1,186.

Starling have refused to refund the transaction because it was completed via the Starling app on Mr D’s trusted device, and it says Mr D admitted to authorising the transaction himself. So, it doesn’t think it should refund this money as an unauthorised transaction.

Our investigator considered this complaint and decided not to uphold it. Mr D didn’t agree 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.

Where there’s a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

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. If Mr D has said he didn’t carry out the transactions in dispute I then have to give my view on whether I think Mr D did authorise the transactions or not.

Mr D has been inconsistent in his evidence about the circumstances surrounding this payment. Mr D told Starling he made this payment to someone, but he thinks he might have been scammed and he didn’t trust the receiver to send it back, so he asked Starling to recall it. Later, he said he made the payment when trying to purchase something abroad and was threatened at knife point to hand over his phone. And I’ve also seen evidence that he said he made the transfer himself on his phone, but he felt forced into doing so. I understand a few years have passed since this transaction was made and memories can fade over time, however, had the incident occurred been as distressing as described I think it’s likely Mr D would’ve remembered the details. So, I am not persuaded by Mr D’s account of how the transaction was made.

Starling have provided evidence to show that the transaction was made online as a ‘faster payment’ from Mr D’s account to the payee’s account. This means that the person who made the payment knew Mr D’s security details to log into his account. But I’ve not seen any persuasive evidence that Mr D’s account was compromised. Starling have provided evidence to show that a scam warning would’ve appeared on screen before Mr D made the payment, alerting him to consider whether this was a scam. The payment was completed,

and no further disputed payments were made around that time. Usually when a fraudster gains access to someone's account they would attempt to empty the account as quickly as possible by making lots of transactions in quick succession. In this case there is only one isolated disputed transaction. So, I think it's likely Mr D made this payment himself and for whatever reason, regretted it after.

Overall, I am not persuaded that this transaction was unauthorised. In fact, I think Mr D made this payment himself on his own device. So, I am not upholding this complaint as an unauthorised transaction.

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