

The complaint

Miss H complains Starling Bank Limited (“Starling”) refuses to refund her for a transaction on her account she says she didn’t authorise.

What happened

Miss H says on 4 November 2023 she received a notification on her phone to approve or reject a payment from her Starling account. But as she hadn’t made any payments at that time she clicked on the “reject” option. However, when she checked her account, she saw that the payment had been authorised. Miss H contacted Starling immediately to question this and raise a fraud complaint.

Miss H says Starling bank should refund her this transaction as it was unauthorised. She also questions where this money has gone and why Starling didn’t raise a chargeback for her.

Starling says the transaction in dispute was completed using Miss H’s card details online and verified in the app. It says the evidence suggests she clicked to “approve” the transaction as it was then completed successfully. Also, as Miss H says she has her debit card in her possession and no one else has had access to it, it has held Miss H responsible for this.

Our investigator considered the complaint and also decided not to uphold it. Miss H was not happy with the outcome, 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 the transactions made from their account that they’ve authorised themselves. Miss H has said she didn’t give any permission for the transactions in dispute to be made but Starling believes she did. My role then is to give a view on whether I think Miss H more likely than not authorised the transactions, based on the evidence I have available.

Starling has provided evidence to show the transaction was made online using Miss H’s correct card details, which usually consists of the long card number, the expiration date and the CVV security code. The correct billing postcode is normally needed for online card transactions as well. Miss H says her debit card was in her possession at the time and no one else has had access to it. She also says she hasn’t clicked on any suspicious links or given anyone else her card details. Starling has also evidenced that the transaction was authorised via an app approval which was completed via her registered device. This evidence all suggests Miss H authorised the transaction in dispute.

Miss H says she didn’t make this purchase, and she clicked “reject” to the request to authenticate the transaction in her app. However, there isn’t any evidence to support what

Miss H is saying. The evidence provided from Starling shows that the device which had been registered on her account since May 2022 and the same IP address was used to log into the app prior to the transaction and had logged in and approved the payment. Miss H said she hasn't downloaded any new apps or received any suspicious calls which might have indicated some fraudulent intervention. I've also not seen any evidence to support what was said about this being a system error. So overall, based on the evidence it seems more likely that Miss H made and authorised this transaction herself.

Miss H argues that if she had made this transaction herself then why would she have complained to Starling as quickly as she had and then continued her complaint all the way to our Service. I have considered what Miss H has said and I am not saying I don't believe her, but I must consider all the evidence from both sides and come to a decision on what I think is more likely. And without any more persuasive evidence to suggest she didn't make this transaction it wouldn't be fair for me to ask Starling to pay her this money back.

Miss H has also questioned why Starling didn't raise a chargeback for her on this payment. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply. In this case, Miss H's complaint was that she didn't authorise this transaction, so the appropriate charge back would be a fraud chargeback. However, this is a voluntary scheme and Starling says it didn't raise this chargeback because based on the evidence it had, there wasn't a reasonable chance of successes. And I think their approach to this was fair.

I know this outcome will come as a disappointment to Miss H as it is a lot of money. However, based on the evidence I've seen it seems more likely the transaction was authorised and so it wouldn't be fair to ask Starling to refund the money.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 27 November 2024.

Sienna Mahboobani
Ombudsman