

The complaint

Miss S complains that Starling Bank Limited ('Starling') should pay her more compensation, after admitting it provided poor service when she wanted to use its disputed payment process.

What happened

Miss S contacted Starling's chat function to ask for help when she was having difficulty trying to recover a payment she'd made to a third party. She'd already tried unsuccessfully to start this process herself via the Starling app and the Starling website.

When she felt she wasn't getting the support she expected, she complained.

Starling agreed the service provided via its chat function could have been better. In recognition of this, Starling paid Miss S £40 compensation by way of apology for its poor service and the inconvenience caused.

Miss S didn't feel this went far enough to resolve things and she brought her complaint to us.

Our investigator thought that Starling had dealt with Miss S' complaint fairly and reasonably and didn't recommend that it needed to do anything more.

Miss S disagreed with our investigator, mainly saying:

- the questions asked on the chat were irrelevant – she had raised disputes before online via the same browser and device so she knew this wasn't why she was having a problem this time.
- In addition to this, Starling didn't need any of the information it asked her when she just wanted it to raise the dispute for her – and she doesn't agree that this couldn't have been done and feels the call handler purposely chose not to help.
- She wasn't given any clear instructions – just redirected online when she had already explained that method wasn't working for her. Miss S put things this way: '...This was completely unhelpful and a failure in customer service.'
- She was unhappy with the way Starling responded to her complaint, and considers this a further failure in customer service.
- She didn't agree with the investigator saying that going online to raise the dispute would've been the quickest way to deal with things when there is no proof that this is correct.
- She said it was 'ridiculous' that the advisor wanted her to explain the issue again so he could write it in the complaint, when she'd been speaking to him the whole time and he was fully aware of the issue.
- She said that although she replied within 3 minutes, she was ignored and the conversation was closed.
- She felt strongly that all this did not equate to £40.

The complaint has come to me for a final decision.

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.

Having thought about everything I've seen and been told, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

Miss S feels strongly that Starling let her down in terms of the service she was entitled to expect in the ways she has described. Starling has accepted that it didn't respond to Miss S as helpfully as it could have done when she got in touch about a refund for a meal she'd ordered that hadn't been delivered. As Starling has upheld the complaint, I don't need to say more about what happened. I will concentrate on the question of fair redress, which is the main reason Miss S has requested an ombudsman referral.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Miss S in the position she'd be in if Starling hadn't been responsible for the poor service issues it has admitted. So my starting point is to think about the impact on Miss S of what happened.

The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. We can however consider the customer service Miss S received and I have kept this in mind when thinking about what Starling needs to do to fairly compensate Miss S.

I haven't been provided with anything to show that Miss S is out of pocket as a result of any poor service on the part of Starling. The payment she wanted to dispute has been refunded by the third party so she's no worse off in money terms as a result of Starling's admitted poor service.

But fair compensation also needs to reflect the wider impact on Miss S of Starling's service failings.

Starling's admitted poor service would've been frustrating and inconvenient for Miss S. At the time, she didn't know the third party would refund her. She was frustrated by the difficulty she was having trying to progress the payment dispute electronically. And I can understand, of course, that she didn't want to pay for something she hadn't received. It doesn't however automatically mean that a large financial payment is due as compensation. And whilst Miss S has mentioned what happened on some other complaints, each complaint is looked at on its own merits. I've looked at the circumstances that apply in this particular case and what happened on other cases doesn't change my conclusion here.

We expect consumers to take reasonable steps themselves to limit the impact of things going wrong. I've kept in mind that Miss S didn't volunteer answers to questions she thought were irrelevant. It's possible that had she done so, the call handler might have been able to help progress things more quickly. And I don't think it was unreasonable for the call handler to ask Miss S to put her complaint in her own words – that's generally sensible, and it's fairer than simply making assumptions about what the customer might think are the important complaint issues. I'm mindful also that Starling has maintained throughout that filling in the online form would be the quickest method - so I can't say that was misinformation. But I agree that we can't know for certain how things might have turned out had things gone differently. And it's clear that Miss S was let down by Starling as she should have been told during the live chat that the call handler could raise a dispute for her.

I think it's worth bearing in mind that we explain on our website that, typically, an apology or small monetary award will fairly compensate a one-off incidence of poor service, especially where there is no significant or lasting impact. And it's important to remember that using financial services won't always be totally hassle free and we wouldn't award for things that aren't more serious than the normal nuisances of everyday life. So just because Starling agrees it didn't deal as well as it should've done when Miss S asked it for help, it doesn't necessarily follow that we would always award any or any significant compensation.

I think the £40 compensation offered by Starling is fair and reasonable in all the circumstances here. It reflects the upset and inconvenience Miss S was caused. Beyond this, I don't agree that Miss S' experience warrants further compensation. I am satisfied that £40 matches the level of award I would make in these circumstances had it not already been proposed. It is in line with the amount this service would award in similar cases, and it is fair compensation for Miss S in this particular situation.

My final decision

My final decision is that I do not uphold this complaint as I am satisfied that the compensation Starling Bank Limited has already paid Miss S is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 19 September 2024.

Susan Webb
Ombudsman