

The complaint

Mr O complains that Starling Bank Limited (Starling) closed his personal account with just seven days' notice, and without a legitimate reason.

To put things right, Mr O wants Starling to explain its decision and to pay him compensation.

What happened

On 17 May 2023, Starling emailed Mr O confirming his account would be closed on 24 May 2024. Starling had been in communication with Mr O before then, as part of a review of his account activity and usage.

Mr O complained, saying Starling didn't have a good reason for closing his account, but Starling didn't change its mind. It issued a final response to Mr O's complaint on 5 July 2023, setting out a brief history of the information it had requested from Mr O as part of its review, and the replies he had given. It didn't expressly state a reason for its decision, but said it had closed C's account in line with its terms of business, so it didn't uphold Mr O's complaint.

It did note that Mr O had made a data subject access request that hadn't been logged, and paid £100 by way of an apology for failing to log the request.

Mr O didn't accept Starling's outcome, so he brought his complaint to our service. One of our Investigators looked at his complaint, but she didn't uphold it. She said she had checked and was satisfied Starling was entitled to close Mr O's account at short notice, and that it didn't need to explain its reasons to Mr O.

Mr O didn't agree though and maintained that Starling had failed in its responsibilities. He asked for an Ombudsman to review the matter afresh.

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 bank is entitled to close an account with a customer, so long as it does so in a way that complies with the terms and conditions of the customer's account.

The terms and conditions of Mr O's account – with which both Starling and Mr O had to comply – say that Starling will usually give two months' notice of an account closure, and that it will usually explain the reasons for its decision. However, the terms of business also say that Starling may not be able to disclose the reasons for its decision, and that it may close an account without notice, in some circumstances.

Starling has disclosed the reasons for its decision to our service as part of our investigation, and I've reviewed what it has said, along with all of the other information relevant to this complaint, before reaching my decision.

Having considered everything both Starling and Mr O have told our service, I'm satisfied Starling acted in accordance with its terms and conditions when it closed his account, and that it had legitimate grounds to close the account. It gave Mr O 7 days' notice of the closure, and, based on the information and evidence I've seen, I accept it wasn't obliged to give more notice. So, although I understand that the lack of notice would have caused Mr O inconvenience, I won't tell Starling to compensate him for that inconvenience, because it did nothing wrong in closing Mr O's account.

Further, I've thought about whether or not Starling should disclose the reasons for its decision to Mr O. Having done so, I don't consider it would be appropriate to tell Starling to divulge its reasons. And I'm not persuaded it is obliged to do so, whether under the account terms of business, or for any other reason.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 7 February 2025.

Alex Brooke-Smith
Ombudsman