

The complaint

Miss S complains that Starling Bank Limited won't refund the money she lost when she was the victim of what she feels was a scam.

What happened

In early 2022, Miss S says she was looking to buy a property and a friend recommended a broker who had helped someone they knew get a mortgage. Miss S was told the broker's fee was £7,000, with half paid upfront and the remainder paid upon completion of the mortgage. So she made a payment of £3,500 from her Starling account to account details she was given for the broker.

Miss S and the broker were then in regular contact, and the broker would often send her details of other financial opportunities. Miss S says she declined them all, until the broker offered her the chance to proceed with a government loan scheme. She says she understood this would provide funds for her business to help it grow. And so she agreed to go ahead with this and made another payment of £25,000 from her Starling account, to pay the fees the broker said the scheme cost.

Unfortunately, Miss S never received the loan she was told she would. And when the broker kept changing the date they said she would receive the money, Miss S says she confronted them and they stopped responding to her. Miss S then reported the payments she had made to the broker to Starling as a scam and asked it to refund the money she had lost.

Starling investigated but said it felt it had met its obligations. So it didn't agree to refund the payments Miss S had made. Miss S wasn't satisfied with Starling's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think there was enough evidence to show Miss S had been the victim of a scam, so didn't think Starling should have to refund the payments she had made. Miss S disagreed with our investigator, so the complaint has been passed to me.

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 done so, I don't think it would be fair to require Starling to refund the payments Miss S made here. I'll explain why below.

Before our service considers whether a bank has done enough to protect its customers, we must first be satisfied that a customer has been the victim of a scam. But despite requesting evidence from her on a number of occasions and giving her sufficient opportunity to provide it, I don't think we have enough information or evidence from Miss S here to safely conclude that the payments she has complained about were made as a result of a scam.

Miss S has said the broker was initially helping her apply for a mortgage, and was then later helping her arrange a loan through a government scheme. But the transcript of the text messages between her and the broker she's sent us doesn't show any messages between them mentioning either a mortgage or a loan scheme.

Miss S also hasn't been able to send us any paperwork relating to either a mortgage or the loan scheme. And given the processes involved in setting up either of these kinds of lending, I think it's unlikely there wouldn't be any paperwork involved.

So I don't think we have clear evidence that the payments Miss S made were for the purposes she has suggested.

The messages with the broker do show that the broker sent Miss S details of a number of properties that were for sale. But I would usually expect any property to be purchased would be identified before any application for a mortgage was made. So I don't think the broker sending her the details of these properties suggests they were in the process of arranging a mortgage for her.

And while I appreciate Miss S has said she was using the broker as she was told they could help people with poor credit get loans, I think the fees she says she was told she had to pay for this lending are implausible – particularly for people with poor credit and small businesses looking to grow, which is what Miss S says the lending here was for.

Miss S was also initially unable to confirm the name or any details of the government loan scheme she was supposed to be applying for. But, particularly as she says she read about the scheme online and given the fee she was paying for it and so the amount she must have been expecting to receive, I think it's reasonable to expect Miss S to be able to provide some details of the scheme. And while she did later suggest it was a recovery loan scheme, she also initially said the scheme was not real – so I think it's unlikely it was this genuine recovery loan scheme.

From the information and evidence available here, I'm not satisfied the circumstances surrounding these payments were as Miss S has suggested.

So I don't think I can safely conclude that the payments Miss S has complained were made as a result of a scam. And so I don't think it would be fair for me to require Starling to refund any of the payments she made here.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 9 May 2025.

Alan Millward
Ombudsman

