

The complaint

Mr B complains that Starling Bank Limited declined his application for a savings account and did not tell him the reason.

What happened

Mr B says he moved some money into a Starling account with the intention of opening a Fixed Saver account. However, he says, Starling subsequently refused to offer him the product and provided no explanation. He adds that the letter he received about it is not factually correct and there was no opportunity to correct the inaccuracies.

Starling says Mr B was not eligible for the Fixed Saver account and apologised for not being able to provide further details in order to protect its internal processes. It accepted that there were shortcomings in the initial final response letter and that Mr B's complaint could have been handled better. It offered him compensation of £50 in recognition of this.

Our investigator did not recommend the complaint should be upheld. She said Starling was not obliged to disclose the reason it declined Mr B's application and found that £50 was reasonable for the misunderstandings in its letter.

Mr B responded to say, in summary, that he could not accept his application was declined on the grounds that he did not meet the criteria. He added that he had yet to receive the promised £50 and that he is now concerned that the complaint has resulted in a black mark against his name as his wife has now had her application for a Starling account refused.

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.

Much as I understand Mr B's frustration with Starling's decision, a bank is not obliged to accept a customer's business and does not need to give reasons for declining an application. Indeed, this service does not have the power to instruct a business to change its processes – that is the role of the Financial Conduct Authority.

That said, although I'm satisfied that Starling did nothing wrong when it declined Mr B's application, I can see why he considered the final response letter to be misleading. Starling has accepted that was the case and said it would credit Mr B's account with £50 as a result.

Finally, with regard to Mr B's wife's application, she would need to raise her own complaint with Starling as I cannot consider this as part of Mr B's complaint.

My final decision

My decision is that Starling should pay Mr B £50 as it has offered to do, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 December 2024.

Amanda Williams
Ombudsman