

## **The complaint**

Mr A complains that Starling Bank Limited (“Starling”) won’t refund money he says was lost to a scam.

## **What happened**

Mr A said he fell victim to a scam after he invested funds into a cryptocurrency platform, which I will refer to as ‘F’, that has since become insolvent.

Mr A has said he came across F after it was given temporary permissions to operate in the UK by the Financial Conduct Authority (FCA). Between March and May 2022, Mr A made nine payments from his Starling account, totalling £10,536.50, to a payment processor (which I’ll refer to as ‘S’) – which he says was deposited in his account with F. Mr A said S was acting as an intermediary between Starling and F.

Mr A says he realised he had been scammed when, in late 2022, F were declared bankrupt – with the founder of F subsequently sentenced to 25 years in prison for defrauding customers and investors. Mr A raised the matter with Starling but it didn’t uphold his complaint. In short, it said:

- The claim was deemed to be a Civil Dispute.
- It allowed Mr A to send funds to S, which is a genuine business that is still trading to date.
- Mr A hasn’t provided any evidence to show that the funds he sent from his Starling account were used to credit an account he held with F.
- Starling acknowledged customer service failings and made a payment of £50 to Mr A.

Unhappy with Starling’s response, Mr A raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and didn’t uphold it. The Investigator said there was a lack of evidence to say Mr A was the victim of a scam, as she hadn’t been provided with sufficient evidence to show the payments Mr A made to S were subsequently lost to a scam.

As an agreement could not be reached, the complaint has been passed 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.

I’m sorry to disappoint Mr A but I’m unable to uphold his complaint, for broadly the same reasons as our Investigator, I’ll explain why.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Starling is expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Starling is responsible for the loss Mr A claims to have suffered if, indeed, he has been scammed. I've therefore considered whether Mr A was a victim of a scam.

Here, Mr A has told our service he was the victim of an investment scam with F, which he believes he has sufficiently evidenced. I've carefully considered everything Mr A has provided. But having done so, I'm not persuaded that it evidences the disputed payments being received by F.

This is because he hasn't provided any evidence of his communications with F. And while he has provided some evidence of crypto activity, along with a video of F's account platform, this doesn't specifically demonstrate the account is in his name. Furthermore, the transaction records Mr A has sent to evidence the activity on his account with F doesn't correspond with the disputed payments from his Starling account. Nor does the information Mr A has provided in relation to the claims agent assigned to F's bankruptcy specifically demonstrate that Mr A is owed money (as his personal details aren't listed). As a result, without this, I don't think there is enough information to show that Mr A has lost money to a scam. I can only be satisfied that he sent funds to S, not the ultimate beneficiary.

I appreciate Mr A feels very strongly about this matter. But for me to conclude Starling failed to protect him from a scam, and therefore should refund him his loss, I need to be firstly satisfied Mr A indeed fell victim to a scam. And despite our Investigator giving Mr A multiple opportunities to provide evidence to support his claim, I'm not satisfied he's been able to do so for the reasons I've explained. So, in the absence of that evidence, I can't say that it would be reasonable for Starling to be held liable for any of the losses Mr A says he's suffered.

Having considered what happened and the offer made, I find £50 is fair compensation for the administrative mistake which likely caused some inconvenience or even distress to Mr A at an already difficult time. I therefore won't be asking it to increase the compensation it's already paid.

### **My final decision**

My final decision is that I do not uphold this complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 July 2025.

Israr Ahmed  
**Ombudsman**