

## **The complaint**

Miss N complains that Starling Bank Limited closed her sole trader account without having a good reason for doing so.

## **What happened**

Miss N runs a business, C, as a sole trader. In August 2024 Starling Bank sought some information from Miss N about the nature of C's activities. One of the questions it asked was whether C took commission on articles where it had arranged sales. Miss N confirmed that it did.

In September 2024 Starling Bank told Miss N that it would be closing the business account after three months. It explained that it took the view that C's activities included dealing in art and that this was one of a number of business activities which the bank did not support. Miss N did not agree that facilitating sales and taking a commission constituted "dealing in" items, but Starling Bank did not change its view and the account was closed.

Miss N referred the matter to this service, where one of our investigators considered what had happened. She thought that the bank was entitled to close the account in the way it did. She noted however that it had offered Miss N £100 in recognition of the inconvenience to which she had been put. Miss N did not accept the offer and asked that an ombudsman review the case.

## **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.

It is important to emphasise that there is no suggestion that Miss N is involved in any wrongdoing here. The bank has not suggested that, and her business appears legitimate.

Miss N says that she does not believe that arranging sales and taking a commission for doing so is the same as dealing in items. I am afraid I don't agree with her on that point. C has a website which includes a "Shop" section, and I believe most people would conclude therefore that it deals in art – whatever the underlying arrangements with the selling artists might be. Starling Bank's terms of business include an annex of categories of business for which it does not provide accounts, and I am satisfied therefore that C's business falls within those terms.

But, even if I were to take a different view on that, I still believe that the bank was within its rights to decide that it did not want to provide an account to C. It is generally for banks to decide whether to provide, or to continue to provide, to any particular customer, and this service won't usually intervene in such decisions. They are for the bank to make, as a matter of its commercial discretion. Starling Bank's terms include a list of types of business it will not deal with, but it could have closed C's account, whether or not its terms included the annex it did.

We take the view, however, that a bank should give reasonable notice before closing an account. What is reasonable depends on the circumstances (including, where a business account is involved, the nature of the business), but I think that three months was reasonable in this case.

I note that the bank offered Miss N £100 in recognition of the inconvenience to which she was put. As I am not upholding the complaint, I will not make an award, but I simply leave it to Miss N to decide whether she wants to accept the offer, if it is still available for acceptance.

### **My final decision**

For these reasons. My final decision is that I do not uphold Miss N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 25 August 2025.

Mike Ingram  
**Ombudsman**