

The complaint

Mr W and Mrs F complain that Starling Bank Limited (“Starling”) declined their application to open a joint account stating they did not meet its eligibility criteria but failed to elaborate on the reasons why.

What happened

Mr W and Mrs F wished to open a joint account with Starling. Although successfully opening individual accounts on 2 November 2024 – a requirement to holding a joint account - Mr W and Mrs F were declined from opening a joint account together. While Mrs F was given a QR code to assist in applying for a joint account, Mr W wasn’t.

Mr W contacted Starling about this and was told that additional accounts and some products are subject to eligibility criteria and as such it only displays the option to apply to people who are eligible and that although not eligible now for a joint account, they may be in the future.

Mr W and Mrs F were dissatisfied with this explanation and complained to Starling.

Starling didn’t uphold Mr W and Mrs F’s complaint it says the correct process was followed and the decision about whether its eligibility criteria was met was based on information about account usage and information it sources from credit reference agencies. Starling further explained that eligibility for products is not something it is able to discuss or explain in detail with its customers due to keeping its internal process secure. Starling confirmed that there had been no impact on their credit files as it had only carried out a soft search which doesn’t leave a visible footprint.

Mr W and Mrs F were dissatisfied with this. They don’t understand why they were approved for individual accounts but refused for a joint account and want an explanation as to why. Mr W says he has zero debt and a good credit rating and is concerned he’s been declined for a joint account due to false information or being discriminated against. And so Mr W and Mrs F brought their complaint to this service.

One of our investigators looked into Mr W and Mrs F's concerns and didn't see any basis to say Starling had acted unfairly or made a mistake as Starling was under no obligation to open an account for a customer as this is a commercial decision that it's entitled to take.

They explained that there is a regulatory obligation to have systems and processes in place when considering applications and there is an expectation for businesses to mitigate unwanted activities. Because of this it isn't uncommon or unusual for banks and building societies to limit/not disclose internal processes and so they didn't think Starling had treated Mr W or Mrs F unfairly.

Mr W and Mrs F disagreed. They say not being provided with an explanation as to why they can't open a joint account leaves Mr W in the position of not knowing if Starling has based its decision on accurate information or whether it holds information which is incorrect. Mr W and Mrs F have asked for an ombudsman's 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.

My role is to look at the problems Mr W and Mrs F has experienced and see if Starling has done anything wrong. If it has, I would seek – if possible - to put Mr W and Mrs F back in the position they would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

As has already been explained by our investigator, as a general rule Starling isn't obliged to open an account for a customer if it doesn't want to – providing banking services and facilities and to who is a commercial decision and not something for me to get involved with. And nor is Starling obliged to provide a reason or explanation for not opening an account or providing a service for a customer. Divulging such information in certain situations could go against its regulatory obligations.

That being said it wouldn't be fair for Starling to refuse Mr W and Mrs F an account without valid reason or reasons that could be considered unfair or discriminatory.

And having looked at all the information provided, I'm satisfied that Starling's decision not to open a joint account in Mr W and Mrs F's name is unfair or due to any discrimination - indeed, Mr W and Mrs F were able to open individual accounts with Starling. But rather, it is due to Mr W and Mrs F not meeting its eligibility criteria for further products based on information it has about account usage and what is contained in their credit reports.

I appreciate that this has caused some frustration - in particular, to Mr W – as up until recently he and Mrs F held a joint account for a number of years without issue and Mr W would like to know exactly why Starling made the decision not to open a joint account for him and Mrs F.

But Starling has explained that to keep its internal processes secure it is limited in what information it can release. And ultimately, Starling aren't obliged to offer services to customers or provide a reason for the commercial decisions it takes, just as Mr W and Mrs F wouldn't be expected to say why they chose a particular business to bank with.

So, although I understand Mr W's frustration, I don't think Starling has done anything wrong for not disclosing exactly the reasons Mr W and Mrs F don't meet the eligibility criteria for opening a joint account with it.

And so it follows that I do not uphold this complaint.

My final decision

For the reasons I've explained I've decided not to uphold Mr W and Mrs F's complaint against Startling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr W to accept or reject my decision before 18 March 2025.

Caroline Davies
Ombudsman