

The complaint

Miss W has complained that Starling Bank Limited won't refund the money she spent on a gambling site when she says the site hasn't paid out her winnings.

What happened

In 2024, Miss W was sent an email from a gambling merchant, and she signed up to their website. Over the course of several months, she made card payments to the gambling site totalling around £2,500. Her deposits were successful and she used the money to gamble.

Miss W has explained that while she made withdrawal requests, the merchant has not paid out her winnings. She's since seen other customers' negative reviews, and believes that the merchant was operating a scam. She wants Starling to refund her.

Starling looked into a chargeback for Miss W, but found that the chargeback rules specifically excluded this kind of claim. And Starling didn't think they were otherwise liable for Miss W's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Miss W didn't agree, so the complaint's 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.

First, I must make it clear that this decision is only about the dispute between Miss W and Starling. It is not about the merchant itself directly. We do not have any jurisdiction over the merchant, and the merchant and Starling are two completely separate businesses. I do understand that Miss W is very unhappy with the merchant and believes they acted illegally, and there is evidence that the merchant may have been illegitimate. But again, this case is against Starling, not the merchant. Broadly speaking, Starling are not generally responsible for this merchant's actions, and Starling are not generally responsible for getting people their gambling winnings.

I appreciate that Miss W may have fallen victim to a scam, for which she has my sympathy. I appreciate why she is unhappy with the merchant and why she would like her money back. Again, it's worth keeping in mind that it's the merchant who's primarily responsible for what happened on their own site, and it's the merchant who would owe Miss W her money, rather than Starling. But I can only look at what Starling are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Starling liable for Miss W's loss. I'll explain why.

It's not in dispute that Miss W authorised the payments involved. So although she didn't intend for the money to end up with potential scammers, under the Payment Services Regulations she is liable for the loss in the first instance. And broadly speaking, Starling had an obligation to follow her instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Starling should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Here, the payments involved were each relatively small and were spread out over a significant period. They were authorised by the genuine customer, and they would not have looked particularly out of character for this account. I find that the payments were not so unusual that Starling needed to intervene here.

I've then considered what Starling did to try to recover the money. They were not able to simply take the money back from the merchant. While there is a code for getting money back from scams, it doesn't cover these kinds of card payments. And it wasn't realistically possible for Starling to get Miss W's money back via a chargeback. Chargebacks are voluntary, and can only be made for certain reasons under strict rules set by the card scheme. Miss W was not covered under the code for services not being provided, as her deposits were successful and she was able to use them to gamble. And here, the card scheme in question specifically ruled out claims for gambling-related withdrawals, refunds, winnings, and so on. And there wasn't anything more that Starling could reasonably do to get the money back.

Miss W also complained that Starling didn't tell her in advance that her payments did not have chargeback rights. But chargeback rights are dependent on the situation, so it's often impossible for the bank to know whether a payment could have chargeback rights or not before the payment has even been made. There was no requirement for Starling to tell Miss W in advance about any potential lack of chargeback rights. Further, I understand some other customers say they got refunds. But again, different card schemes have different rules, and each case is assessed on its own merits. I can't say why different people may have got refunds under their own card schemes in their own situations. But I can say that in Miss W's situation, it wasn't realistically possible for Starling to get her money back.

So while I'm sorry to hear that Miss W may have been scammed by the merchant, I don't think Starling can fairly be held responsible for her loss. And so I cannot fairly tell Starling to provide any refund in this case. Miss W may wish to pursue the merchant directly.

My final decision

For the reasons I've explained, I do not uphold this complaint against Starling Bank Limited.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 31 March 2025.

Adam Charles
Ombudsman