DRN-5318342

The complaint

Mr N complains that Starling Bank Limited (Starling) made errors when closing the bank account he'd taken out for his son.

Mr N says these errors caused him distress and inconvenience.

What happened

The background to this complaint is well known to all parties so I'll just give a broad overview here.

Mr N opened a Starling Kite account for his son. The account provided Mr N's son with a debit card which he could use to make transactions while Mr N maintained control of the overall account.

In June 2024, Starling contacted Mr N and told him he would need to order a new card for his son as it was making some product changes. Mr N replied and asked Starling to send the new card to the USA. He explained to Starling that his son now lived there with his mother and visited the UK occasionally.

Starling agreed to send the card to the USA explaining that there would be a £10 delivery charge.

On 10 September 2024, Starling contacted Mr N and asked him for updated identification for his son, such as a passport. And it said it would need to close the account with sixty days' notice if this wasn't provided.

Mr N sent Staring a picture of a computer screen showing his son's passport, but Starling explained that only a photograph of the original documentation would be accepted.

Mr N complained to Starling that as his son lived abroad it wasn't possible for him to be in possession of the original document. Starling apologised but said a photograph of the original identification was the only satisfactory document. And if it couldn't be provided the account would need to be closed.

On October 24, 2025, Starling again contacted Mr N to tell him it could only accept a photograph of the original identification document as satisfactory evidence. And it also said that the account was only available to UK residents – and if Mr N's son was living in the USA the account would need to be closed.
Mr N complained that Starling should have told him of the residency condition in June 2024 when he first told Starling that his son was living in the USA.

Starling responded by acknowledging it should have told Mr N earlier and awarded him £100 for the distress and inconvenience this had caused. It also said the account couldn't remain open because of his son's residency and the account was closed in November 2024.

Mr N wasn't happy with Starling's response so brought the complaint to this Service.

Our investigator reviewed the case and, while he agreed that Starling had provided poor communication to Mr N, thought that its response of £100 compensation and apology was a reasonable outcome.

Mr N wasn't satisfied with this opinion, so the complaint has been brought 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've first considered if Starling were able to close the account and I think it was.

The conditions of the account allowed Starling to offer it only to UK residents and, as long as it gave sixty days' notice, was able to close the account when it realised Mr N's son was living abroad. Starling followed the correct notification procedure and so didn't do anything wrong by closing the account.

That said, from the evidence I've seen, I think Starling acted poorly by failing to clarify the account conditions at the earliest opportunity.

Mr N told Starling on 24 June 2024 that his son lived in the USA, but it wasn't until 24 October 2024 that Starling appear to have explained this would mean the account would have to be closed.

In the interim period, Starling had sent a new card to Mr N's son and Mr N was asked to upload satisfactory identification documents. Mr N had to make phone calls and message Starling on a number of occasions trying to get clarification on how to resolve the identification issue, all of which could have been avoided if Starling had given Mr N the correct information when it first became aware of Mr N's son's residential status.

So, I can understand Mr N's frustration and confusion.

I'm pleased to see Starling have acknowledged these failings, appear to have waived the £10 administration fee when the card was sent to the USA, explained what had happened and why, and apologised. It also awarded Mr N £100 compensation.

So, it is for me to decide if I think Starling's response is a reasonable resolution.

Mr N feels strongly that Starling's response of £100 doesn't accurately or fairly represent the distress and inconvenience he was put through because of Starling's failings.

He says he should be compensated for the unnecessary time he spent trying to get the card activated. Mr N also thinks he should be compensated for the distress he was put through by having to reassure his son that the account wouldn't be closed and the overall mental strain it put upon himself.

I've thought carefully about Mr N's comments, and I do understand how frustrating this experience will have been for him. That said, I'm not going to ask Starling to do anything else in this complaint and I'll explain why.

From the evidence I've seen the error made by Starling in this complaint was to fail to explain, when it reasonably should have, that the account would need to be closed as Mr N's son was no longer a UK resident.

This meant Mr N was put to the trouble of messaging and telephoning Starling to try to resolve the problem of uploading satisfactory identification when this shouldn't have been necessary. I also understand Mr N would have needed to communicate with his son to explain what was happening.

The guidance at this Service describes the level of £100 compensation as fair if it represents a business making, 'repeated small errors or a larger single mistake, requiring a reasonable effort to sort out'. And I think this pattern of errors made by Starling and the action Mr N had to take to resolve them broadly fits this definition.

In summary, I think Starling made communication errors when it closed Mr N's account and this put Mr N through both distress and inconvenience, And I think the £100 compensation and apology Starling has given Mr N is a fair and reasonable resolution.

My final decision

For the reasons stated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 23 September 2025.

Ben Castell
Ombudsman