DRN-5357257

The complaint

Mr S complains that Starling Bank Limited won't reimburse him, after he made payments to an individual claiming to offer spiritual services, that Mr S now believes to have been a scam.

Mr S is professionally represented in bringing his complaint, but for ease of reading I'll refer to all submissions as being made by Mr S directly.

What happened

The circumstances of this complaint have been set out in detail by the investigator who considered it, so I won't repeat them in full here. But briefly, both parties accept that in May 2024, Mr S visited an individual claiming to offer spiritual readings (who I'll refer to as Mr J). During the reading Mr S was told his ex-partner could be brought back to him, and that curses placed on them could be removed for a fee. Mr S has explained he was vulnerable at the time, having gone through a break up and suffering from depression.

Mr S attended Mr J's home several times and has explained that rituals were performed. However, when explaining what had happened to a friend, they told him he had fallen victim to a scam and as a result, he contacted Starling to raise a claim.

Starling considered Mr S' claim but didn't uphold it. It said Mr S had paid for an intangible service and it's unable to know if it worked or not. It also highlighted that Mr J's website confirms that 'there is absolutely no guarantee about the accuracy of the astrology predictions/analysis and solutions that he provides'.

Mr S remained unhappy and referred his complaint to our service. An investigator considered the complaint and didn't uphold it. She considered this to be a civil dispute between Mr S and Mr J. She said that Mr S would have had a reasonable awareness that there was no ability to scientifically test what he believed he was paying for, and that she wasn't able to conclude that Mr J acted with intent to defraud, rather than believing he was able to provide the spiritual help offered. She also noted that Mr S had paid for rituals to be completed – and rituals *were* performed, so it was difficult to establish that a scam had taken place.

Mr S disagreed with the investigator's opinion. He said he initially attended Mr J's home for a reading, and yet ended up paying over £16,000 for spiritual services. He believes he was preyed on due to his vulnerabilities and that Mr J used fear to hook him in. Mr S also referred to media articles referencing other individuals who had been arrested for running scams of a similar nature.

As Mr S remained unhappy, the complaint has been referred 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. It's accepted that these payments were authorised by Mr S and so he is presumed liable for them at first instance.

The Lending Standards Board Contingent Reimbursement Model Code (the CRM Code) does provide some protection to victims of APP scams. But it specifically excludes private civil disputes. For a payment to be covered by the CRM Code, it must meet the definition of an APP Scam under the CRM Code. In this context, that would require that the very purpose for which Mr J procured the payments from Mr S was different to what Mr S believed due to dishonest deception. I don't dispute that it is entirely possible that this is what happened here – and I can certainly understand why Mr S would think so, having spent so much more money than he'd initially intended, without the results he'd hoped for.

However, unfortunately, based on the nature of these payments, it's impossible for me to say with any certainty what Mr J's intentions were here – while I accept there are scams of a similar nature in circulation, the subject in question here really falls down to the individual's beliefs – and there are many who also believe in the power of spiritual healing. I can't say whether Mr J intended to defraud Mr S, or whether he believed in the statements he was making, and in the rituals he was performing. It seems that after Mr S had reported the payments to Starling, even he considered that something beyond just a scam had taken place, stating to Starling he believed Mr J was using something 'evil to do his work for him'. Additionally, while Mr S has referenced police involvement, I've not been provided with any evidence to support this, or to establish what, if any, charges have been made.

Therefore while I'm sorry to disappoint Mr S, and I don't underestimate the impact this has had on him, I simply can't safely conclude that Mr J took Mr S' money without the belief he was providing a service in return. The evidence available to me simply isn't enough to support such a finding.

That means that I can't fairly hold Starling responsible for the loss suffered here. It also means I find the bank had no ability or obligation to try and recover Mr S' money.

My final decision

My final decision is that I don't uphold Mr S' complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 October 2025.
Kirsty Upton
Ombudsman