

The complaint

Miss W complains that Starling Bank Limited ('Starling') hasn't refunded the money she says she lost to two cryptocurrency investment scams.

What happened

The circumstances of the complaint are well-known to both parties, so I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

Miss W says that between 31 October 2021 and 5 March 2022, she made 17 payments, totalling £7,755.02, as part of a cryptocurrency investment run by a company that I'll refer to as 'H'. The transactions were a mixture of payments Miss W made to her own digital wallets with several cryptocurrency exchanges and two faster payments she made to a third party. The reference for the faster payments included H's name.

Miss W also says that on 12 May 2022, she made three payments, totalling £2,164.98, as part of another cryptocurrency investment run by a company that I'll refer to as 'M'. All three payments were faster payments made to the same beneficiary referred to above. The reference for all three faster payments included part of M's name.

Miss W subsequently became aware that H and M weren't genuine investments and were in fact scams. On 8 February 2024, Miss W – with the help of a professional representative – raised a complaint with Starling about both scams and asked for a refund.

Starling asked Miss W for further information and evidence about the scams, but this wasn't forthcoming. So, Starling rejected Miss W's complaint and declined to reimburse the disputed payments.

Unhappy with Starling's response, Miss W referred her complaint to this service for an impartial review. Our Investigator asked Miss W to answer some questions and produce evidence of the scams, but this wasn't provided.

Our Investigator decided not to uphold Miss W's complaint on the basis that she hadn't demonstrated she had suffered a loss (as a result of being scammed) which Starling needed to refund.

Miss W appealed our Investigator's view and provided some information about how the scams had occurred. However, Miss W was only able to provide limited evidence in support of her complaint.

The information and evidence Miss W provided wasn't enough to persuade our Investigator to change their opinion. Further information was requested from Miss W, but this wasn't provided. So, our Investigator issued a second view, reiterating their opinion that Miss W hadn't demonstrated a loss which Starling needed to reimburse.

Miss W didn't accept what our Investigator said. As an agreement couldn't be reached, the complaint has been passed to me to decide.

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.

Having done so, I've reached the same outcome as our Investigator. I'll explain why.

I've seen from Miss W's bank statements with another of her banking providers, that Miss W made a payment from that account to a company connected to H in January 2022. Miss W also included H's name in the reference of two of the disputed faster payments. She's also provided a partial statement for a digital wallet with a cryptocurrency exchange she says she paid as part of the scam with H. That statement shows Miss W depositing funds, exchanging them for cryptocurrency and immediately sending the cryptocurrency out of her digital wallet – which is behaviour that's indicative of a cryptocurrency investment scam.

So, there is some evidence available to me which demonstrates Miss W was the victim of H's scam and that she has most likely suffered a loss as a result of it. However, Miss W has provided no evidence that she was a victim of M's scam, aside from the references for the final three faster payments including part of M's name.

Miss W hasn't explained why some of the disputed payments were debit card payments to digital wallets in her own name, whilst other payments were faster payments to third parties (some which appear to have no connection H or M). It's unclear why Miss W paid at least four separate cryptocurrency exchanges – and, as she's been unable to provide full statement data for all her digital wallets, she hasn't demonstrated what happened to the funds once they were moved to her digital wallets or if any returns were paid in cryptocurrency as part of either scam which offset any potential loss she's suffered.

I can see from Miss W's statements with Starling and her other bank that she was buying cryptocurrency for approximately ten months before the start of the scam with H. Miss W also made cryptocurrency purchases during the period when she says H scammed her, and those purchases haven't been reported as being related to either scam.

The payments to Miss W's digital wallets could've been made as a result of a scam. It's also possible that those payments were for genuine cryptocurrency purchases, unconnected to the scams orchestrated by H or M. It's also possible that Miss W has retained some of those funds. Miss W has been asked to explain and provide evidence to demonstrate why those payments were made, but she has failed to do so. She's also been asked to provide full statements for her digital wallets with the cryptocurrency exchanges, to demonstrate she has suffered a loss, but again this evidence hasn't been provided.

It's possible that the beneficiary of Miss W's faster payments scammed her and didn't pass the funds on to the fake investments. It's possible the beneficiary was also scammed by H and M and unwittingly passed Miss W's funds on to the fake investments, believing they were helping Miss W top up her investment capital. Both H and M were operating scams involving cryptocurrency and received deposits in the form of digital assets. So, it's also a possibility that the faster payments could've been for the purpose of purchasing cryptocurrency from the beneficiary via one of the cryptocurrency exchanges' marketplaces – better known as a peer-to-peer cryptocurrency purchase – and that the cryptocurrency was subsequently sent by to H and/or M.

Miss W first complained to Starling over 16 months ago. Since then, she has failed to provide satisfactory testimony and supporting evidence of what's happened. I appreciate that the disputed payments were made several years ago, and some evidence may no longer be available. However, Miss W has been given multiple opportunities to provide testimony and evidence that should be obtainable, such as full statements for her digital wallets or an explanation for the varying payment methods and beneficiaries. But her responses have been insufficient for the purposes of demonstrating she has suffered a loss that Starling could fairly be held responsible for refunding.

I appreciate Miss W may have suffered a loss as a result of the payments she has reported. However, I haven't been provided with sufficient information for me to say what Miss W's loss might be or that Starling can fairly and reasonably be held liable for reimbursing her.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 21 July 2025.

Liam Davies
Ombudsman