

The complaint

Miss M complains that Starling Bank Limited (Starling) is refusing to refund her the amount she lost as the result of a scam.

Miss M is being represented by a third party. To keep things simple, I will refer to Miss M throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Miss M was added to a group chat within a well-known messaging application where various investment opportunities were discussed. As a result of the conversations that took place Miss M decided to invest with a company I will call "X".

Miss M was provided with legitimate looking paperwork about X and was invited to several virtual meetings. The information Miss M received gave her confidence she was investing with a legitimate business.

As part of the investment process Miss M was required to make payments via cryptocurrency which once made, she could see within X's trading platform.

Miss M was able to make some withdrawals which again gave her confidence that X was offering a legitimate investment. But later Miss M was unable to access her funds, and it became clear she had fallen victim to a scam.

Miss M made the following payments in relation to the scam:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	13 November 2021	Coinbase	Transfer	£5.00
2	13 November 2021	Coinbase	Transfer	£10.00
3	13 November 2021	Coinbase	Transfer	£1,000.00
4	13 November 2021	Coinbase	Transfer	£5,000.00
	14 November 2021	Coinbase	Credit	£5,000.00cr
6	14 November 2021	Coinbase	Transfer	£5,000.00
7	17 November 2021	Binance	Debit Card	£3,000.00
8	17 November 2021	Binance	Debit Card	£4,000.00
	18 November 2021	Coinbase	Credit	£4,244.66cr
9	18 November 2021	Binance	Debit Card	£4,000.00
10	19 November 2021	Moonpay	Debit Card	£1,002.77
11	20 November 2021	Moonpay	Debit Card	£745.86
12	21 November 2021	Moonpay	Debit Card	£111.88
13	22 November 2021	Moonpay	Debit Card	£372.93
14	22 November 2021	Moonpay	Debit Card	£2,987.54
15	29 November 2021	Moonpay	Debit Card	£56.48
16	2 January 2022	Binance	Debit Card	£40.00

17	2 January 2022	Binance	Debit Card	£4,000.00
18	2 January 2022	Binance	Debit Card	£3,500.00
19	8 January 2022	Binance	Debit Card	£895.42
20	27 January 2022	Binance	Debit Card	£100.00
21	6 February 2022	Binance	Debit Card	£2,350.00
22	7 February 2022	Binance	Debit Card	£1,250.00
23	15 February 2022	Binance	Debit Card	£3,050.00
24	17 February 2022	Kraken	Debit Card	£16.81
25	22 February 2022	Binance	Debit Card	£120.00
26	7 May 2022	Miss M	Transfer	£28.50
27	14 July 2022	Binance	Debit Card	£90.00
28	24 July 2022	Binance	Debit Card	£90.00
29	5 August 2022	Binance	Debit Card	£300.00
30	6 August 2022	Binance	Debit Card	£300.00
31	17 November 2022	Miss M	Transfer	£1,800.00

Our Investigator considered Miss M's complaint and didn't think it should be upheld. Miss M disagreed, so this 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.

It has not been disputed that Miss M has fallen victim to a cruel scam. The evidence provided by both Miss M and Starling sets out what happened. What is in dispute is whether Starling should refund the money Miss M lost due to the scam.

Recovering the payments Miss M made

Miss M made payments into the scam via her debit card and transfer. But all the payments Miss M made either went to an account in her own name or were made to legitimate cryptocurrency exchanges in return for cryptocurrency, and it took further steps for those funds to be sent to the scammer.

With the above in mind Starling would not have any reasonable options available to it to recover the payments Miss M made in relation to the scam.

Should Starling have reasonably prevented the payments Miss M made?

It has been accepted that Miss M authorised the payments that were made from her account with Starling, albeit on X's instruction. So, the starting point here is that Miss M is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Starling should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Miss M made in relation to the scam were mostly made to cryptocurrency exchanges although they were not for significant values.

I can see that Starling did intervene on several occasions when payments were made. Miss M received three automated warnings that required her to select a purpose for the payment she was making. On each occasion Miss M selected the option of sending funds to another current account within her control.

Miss M was also required to give a payment purpose when she made payment 5. On this occasion she selected the option of “cryptocurrency investment”. This prompted Starling to ask further questions. Miss M confirmed she had made payments to the account in the past, she hadn’t recently been provided with account details, she had made similar investments, and she understood that the investment advisors should be registered with the FCA.

I don’t think the responses provided by Miss M were entirely accurate, but even if I was to say that Starling should have intervened further, considering the time at which the payments were made, I would at most have expected it to provide Miss M with a general scam warning.

I don’t think a general scam warning would have prevented the scam. This type of warning would have likely prompted Miss M to carry out further research into X, and as there was no negative information available about X in the public domain at the time the payments were made, and the first warnings about the scam were not available in the public domain until 2024, I don’t think she would have had concerns about proceeding with the payments.

With the above in mind, I don’t think Starling missed an opportunity to prevent the scam and it is not responsible for Miss M’s loss.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss M to accept or reject my decision before 3 October 2025.

Terry Woodham
Ombudsman