

The complaint

Mr H has complained Starling Bank Limited did nothing to stop him being a victim of a scam.

What happened

Mr H holds an account with Starling.

Mr H fell victim to a scam in November 2023 after believing he was talking to someone who represented his bank. He understood there were card transactions being undertaken. He needed to provide relevant codes to the individual on the phone to ensure he could be refunded by his bank. During a long conversation, Mr H also made two transfers of £11,970 and £9,980 to his account with another bank (who I'll call R).

As part of this scam, payments were then made from Mr H's account with R. R raised questions with Mr H about these transactions within his app. It's clear Mr H was being coached by the fraudster to respond to these questions.

This initial call took place within a short period of a genuine conversation Mr H had been having with Starling about being the victim of another scam, so Mr H was willing to accept that he was talking to his genuine bank.

Later that day he realised this wasn't the case and contacted Starling. Starling immediately started a process to get back the card payments Mr H had made, as well as contacting R.

Starling refunded £5,780.96 from the disputed card payments but Mr H remained unhappy. He brought his complaint to the ombudsman service.

Our investigator noted that there was an emotional impact of being a fraud victim so appreciated Mr H's situation. She believed Starling should have intervened, but knowing what had happened when R had intervened, she wasn't convinced Mr H would have responded by stopping his discussion with the fraudster. She wasn't going to ask Starling to have done more.

Still unhappy, Mr H asked an ombudsman to consider his complaint.

I completed a provisional decision on 28 August 2025. I felt that Starling should have done more and identified the first payment as suspicious, and asked them to refund half of that loss.

Starling didn't accept this outcome. They didn't think they'd have identified this transaction as high risk and that any conversation with the customer would have suggested otherwise.

I now have all I need to complete my 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.

Having done so, I've reached the same outcome as I did in my provisional decision. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

I won't be writing in detail about the different aspects of what happened. I hope neither party thinks I'm being disrespectful but much of what happened isn't in dispute. There are numerous phone calls which have been made available to our service, including those with the scammer, and our investigator provided a detailed view on 18 February 2025.

Over an extended period in 2023, I can see Mr H was the victim of what's known as a romance scam. Although this isn't the subject of this complaint, I can see that Starling had become aware of this and that the local police paid a visit to Mr H's home to check on his welfare. During this visit in October 2023 Mr H was provided with a good deal of information about scams in general as well as the strategies adopted by those conducting a romance scam.

I believe it's more than likely, as the local police subsequently confirmed to Mr H, that this fraud was conducted by the same individuals as those behind the romance scam. It's clear from the police evidence that this was organised crime. They saw that their ability to get Mr H to willingly make transfers was coming to an end so took steps to try and secure the money they knew Mr H had access to. A significant lump sum had been paid to him just shortly before this scam.

Whilst Mr H was being tricked, there's no dispute that he made and authorised the two payments to his account with R. He also provided the codes to enable the disputed card payments to take place, even though I accept he believed he was doing this to ensure he'd be refunded.

I'm therefore satisfied the transactions were authorised under the Payment Services Regulations 2017. But that isn't the whole story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that Starling should:

- have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering, and the financing of terrorism.
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which financial institutions are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, have taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

I have therefore considered whether Starling should have done more. I confirm they should

have. None of these transactions seem to have triggered any intervention. This is despite the value of these exceeding Mr H's normal account use. More importantly at this stage Starling were aware of Mr H's vulnerabilities and had been discussing his personal welfare situation with local police as they were concerned about payments Mr H had made to a number of women.

I can also see that Starling had previously blocked a transaction Mr H had tried to make for £22,555.93. There had then been a discussion with Mr H. At that stage I can see there was a warning provided to Mr H about Starling never asking someone to make payments to keep their money safe. That payment was subsequently never made.

So, I've viewed this slightly differently to our investigator. I believe Starling should have been alert immediately to the risk to Mr H. This is because there'd already been an excessive payment that they'd identified as suspicious and by this stage, they were clearly aware of Mr H's vulnerabilities.

Whilst it's certainly true he was coached through his responses to R by the fraudsters, I'm not convinced that Starling wouldn't have been able to stop what was happening. I know they disagree but Starling knew more about Mr H and any further questioning of Mr H would have come hard upon their earlier fraud-related conversation.

That said, Mr H subsequently raised a separate complaint with Starling about them blocking his use of his account as he was unhappy about his card use being limited.

Putting things right

I've tried to balance the different aspects of this complaint and reach what I believe is a fair and reasonable outcome based on what I know about Mr H, and what Starling knew.

I consider that Starling should have been able to stop the first payment which was for £2,537.50. All of the subsequent card payments were refunded to Mr H in full. I'm going to ask Starling to refund half of Mr H's loss on the first card payment as well.

I say only half as Mr H bears some liability for what happened I believe. He had received a range of warnings about fraud and I believe hadn't taken the steps I would have expected. As he'd only recently been talking to Starling, it would have been wholly reasonable for him to have put the phone down and phone Starling back on the number he held for them.

My final decision

For the reasons given, my final decision is to instruct Starling Bank Limited to pay £1,268.75 to Mr H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 October 2025.

Sandra Quinn
Ombudsman