

The complaint

Mr G complains that Starling Bank Limited won't reimburse him in full after he fell victim to a scam.

What happened

The circumstances of this complaint have been set out in detail by the investigator who considered the complaint, so I won't repeat them in full here. But briefly, both parties accept that Mr G made payments to individuals who claimed they would be able to support him in obtaining a certificate of sponsorship and work in the UK. However, after making payments totalling £10,250, the job and sponsorship didn't materialise and Mr G realised he'd fallen victim to a scam.

Mr G made a claim to his bank, Starling, who considered its liability to reimburse him. Starling accepted it could have done more to protect Mr G when making the payments and so refunded him 50% of his losses. However, it thought Mr G could also have done more to protect himself and so thought he should be liable for the remaining 50%.

Mr G remained unhappy and referred his complaint to our service. An investigator considered things but didn't uphold the complaint. He didn't think the payments were covered by voluntary reimbursement schemes Starling is a signatory of, as he considered the evidence demonstrated that Mr G knew, or ought to have known, that the individuals he was sending funds to weren't legitimate, based on Mr G paying for falsified driving licenses despite Mr G being unable to drive.

The investigator thought that even setting this point aside, the offer Starling had made already was fair and that there were red flags here that Mr G was falling victim to a scam which Mr G failed to heed.

Mr G disagreed with the investigator's view. He said he had been hypnotised by the fraudsters and later blackmailed by them. He also explained the impacts the scam has had on his health.

As Mr G disagreed with the investigator's view, 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.

Having done so, while I'm sorry to disappoint Mr G, and also sorry to hear of the lasting impact this scam has had on Mr G's health, I don't think Starling has acted unreasonably and so I can't ask that it provides any further reimbursement to Mr G – for the same reasons as set out by the investigator. I've explained why in further detail below.

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 and the terms and conditions of the customer's account.

However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

Starling is a signatory of the Lending Standards Board's Contingent Reimbursement Model (the CRM Code). This requires firms to reimburse customers who have been the victim of certain types of scams, in all but a limited number of circumstances. But customers are only covered by the CRM Code where payments made meet the definition of an APP scam under the Code, which is:

- (i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*
- (ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

In Mr G's case, I understand Mr G made the payments to the individuals he intended to, so the first consideration doesn't apply. I've therefore considered whether Mr G sent funds for what he believed were legitimate purposes but were in fact fraudulent.

Having reviewed the conversations between Mr G and the fraudsters, I appreciate Mr G was deceived into believing he would benefit from a sponsorship and job, should he follow their guidance. However, I can't conclude that Mr G believed he was doing so via legitimate means. In the conversations, Mr G demonstrates he is aware that he was purchasing falsified documentation and was led to believe this wouldn't be detected by officials. He was also attempting to obtain a driving licence despite not being qualified to drive. I can't conclude that Mr G would have thought that anyone providing such services would be doing so legitimately and therefore Mr G's payments do not meet the necessary definition to be considered under the Code. Neither do I think it would be fair or reasonable for Starling to reimburse payments made for such purposes.

I appreciate Mr G may have felt forced into making some of the payments, particularly as he had already invested in the process by this point. However payments made under duress or blackmail are also not covered by the Code, as again they generally do not fall under the scope of being a 'scam' and are better suited to pursue via the Police.

I'm sorry to disappoint Mr G, and that this ordeal has had such a negative impact on his health and wellbeing, but unfortunately I think that blame for this impact lies with the individuals Mr G sent funds to - and not with Starling.

My final decision

My final decision is that I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 October 2025.

Kirsty Upton
Ombudsman