

The complaint

Miss L complains that Starling Bank Limited (“Starling”) failed to refund a transaction she didn’t recognise.

What happened

Miss L noticed a payment had left her account and notified Starling about it. At the time, Miss L denied making the payment. Miss L said she was shopping for an item and was on a website at the time. Starling cancelled Miss L’s card and stopped an associated subscription payment

Starling declined to refund the payment based on their records which showed Miss L had made the payment from her Starling account. Miss L raised a complaint which Starling investigated. They didn’t change their position regarding the disputed transaction, but they did accept they’d delayed their investigation. Starling told Miss L they’d pay £30 into her account within three days to apologise for the delay.

Miss L remained unhappy with Starling’s handling of her situation, so she brought her complaint to the Financial Ombudsman Service for an independent review.

An investigator was assigned to look into the issue and during early discussions with Miss L, she accepted she’d made the payment herself, but believed she’d been the victim of a scam. Miss L said she’d been trying to purchase a household item, but the payment had been taken by a different merchant (a travel company).

The investigator asked Starling to assess the new information and make a chargeback application if appropriate.

A ‘chargeback’ is a way for a debit card provider to reclaim money from the retailer’s bank when a consumer doesn’t get the goods or services she’s paid for, or the goods are faulty or defective. It isn’t a legal right and there’s no guarantee the card provider will be able to recover the money through chargeback. The process is subject to the rules of the scheme – and strict time limits apply. A chargeback that’s raised late will be deemed invalid.

The card provider isn’t required to raise a chargeback claim just because a consumer asks for one – although I consider it good practice for a chargeback to be attempted when there’s a reasonable prospect of success.

Starling assessed the chargeback request but didn’t think they had a reasonable chance of success based on the specific conditions of the payment. They believed that if they raised a chargeback with the travel merchant, it would be a simple matter for them to defend and show they’d provided whatever service had been paid for using Miss L’s card.

After reviewing the evidence provided by both parties, the investigator didn’t think that Starling had acted unfairly and didn’t uphold Miss L’s complaint.

Miss L disagreed with the investigator's conclusions and believed she was still due a refund from Starling.

As no agreement could be reached, the complaint has now been passed to me for a 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.

I understand from what Miss L has said that the loss of the funds impacted her and her family, I was sorry to hear that she had to go through such difficulties, particularly regarding her children.

It's apparent here that Miss L was somehow tricked into making a payment on a website she now thinks is fraudulent. Initially, Miss L didn't think she'd made a payment when she reported it to Starling. When Starling looked into what had happened, their information concerning the payment showed that Miss L had been required to go through a secondary step to authorise the payment. This required Miss L to access her Starling app and agree for the payment to be released from her account.

Based on this information, Starling declined to make a refund because the evidence showed Miss L had authorised the payment herself. Given the version of events that Starling were initially working with, I don't think the way they approached the issue was unreasonable. They were under the impression that this payment had been made without Miss L's knowledge or permission. When it turned out this wasn't the case, their decision to decline the refund was both fair and reasonable.

That's because the payment was considered authorised under the terms of the Payment Service Regulations 2017 (PSRs). Starling would generally be liable to make a refund if the payment was unauthorised, whereas the account holder (here Miss L) was responsible for payments she authorised.

The secondary step to finalise the payment, which required Miss L to accept the payment in the app was an opportunity for Miss L to review that information (which showed the travel company taking the payment and the amount), unfortunately here she didn't appear to notice the merchant or the amount. I understand Miss L was unaware of the change in merchant and from what she says, I don't think she reviewed the information she was given in the Starling app. I don't think that the payment warranted any further intervention by Starling and it's unfortunate that Miss L accepted the payment in her app, which Starling then took as authority to release the payment. So, I don't think it would be fair or r Starling to make a refund.

Once the complaint reached our service, Miss L understood more about what had happened and accepted that she'd made the payment herself, but still believed she'd been scammed. Starling were asked to consider making a chargeback request which they went on to consider. As I've explained above, this process relies on Starling to make a request through the card provider who are bound by the rules of the scheme. Whilst I'd expect Starling to make such a request if they had a reasonable chance of success, based on the payment made here, I don't think they're decision not to make a request was unreasonable.

That's because it would have been a simple matter for the merchant who took the payment to show they'd provided a service (even if this wasn't directly to Miss L). Providing such

evidence would've enabled the merchant to successfully defend the chargeback. I have some sympathy for what happened to Miss L, but I don't think it's Starling's responsibility here to make a refund because I don't think they acted unfairly or unreasonably, so I won't be upholding this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 5 November 2025.

David Perry
Ombudsman