

The complaint

Mr Z complains that Starling Bank Limited unfairly closed his accounts.

What happened

In July last year, Starling wrote to Mr Z advising it had decided to close his accounts. Mr Z complained as he's unhappy the bank decided to do so without an explanation. Mr Z feels Starling has discriminated against him because of his ethnic origin. He's also unhappy that the bank didn't honour the interest he expected had accrued on his savings account.

In its response, Starling explained it has acted in line with its terms and conditions. The bank assured Mr Z that its decision was unrelated to his ethnicity. Remaining unhappy, Mr Z referred his complaint to this service for an independent review. He wants Starling to apologise for its actions and pay him the interest he would've earned on his savings.

One of our investigators issued their outcome, explaining that they felt Starling had acted fairly. Mr Z doesn't agree – he says he's aware other Starling customers that share the same ethnic origin as him have also had their accounts closed. So he remains of the view that Starling have acted in a discriminatory manner.

Given Mr Z didn't agree, the complaint has been passed to me for a final review.

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 decided not to uphold this complaint – I'll explain why.

I need to clarify that this service is unable to make findings on whether something constitutes discrimination as per The Equality Act 2010. This is because this service is an informal alternative to the courts, and only a court of law can make a legal finding based on the definitions set out within the act.

However, I can consider whether the bank has acted in a fair and reasonable manner, and to do that I will take several things, including The Equality Act 2010, into consideration.

It might be helpful if I start off by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this.

Starling has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. Starling may need to review accounts to comply with these responsibilities.

I've also considered the basis for Starling's review, which I find was legitimate and in line

with its legal and regulatory obligations. I should also add that I don't think Starling is under any obligation to disclose to its customers what triggers a review of their accounts. For this reason, I can't say that it's done anything wrong by not giving Mr Z this information. And it wouldn't be appropriate for me to require it to do so.

Starling's terms and conditions say that it can close an account by giving two months' notice, or with immediate effect in certain circumstances. Having looked at all the evidence and the terms and conditions I'm satisfied that Starling was acting fairly and reasonably when it decided to close the accounts – in this instance, by giving Mr Z three months' notice.

Starling has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I've seen nothing to suggest that Starling's decision around closing Mr Z's accounts was unfair.

Furthermore, it's generally for financial institutions to decide whether or not they want to provide or continue to provide banking facilities to a particular customer. Each financial institution has its own criteria and risk assessments for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take.

Unless there is a very good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

Mr Z understandably would like to know the reason why Starling decided to close his accounts. As I said above, Starling doesn't need to give him a reason why, as much as he'd like it to. The same would apply to Mr Z if he had decided to change to another bank. I appreciate Mr Z feels that Starling is treating other customers in a similar way. But it isn't for me to comment on matters involving other customers, as my remit only allows me to reach a finding regarding Mr Z's complaint.

I understand Mr Z's dissatisfaction regarding the interest he feels Starling should pay on his savings. From what I've seen, the type of account Mr Z held his savings in meant the account would reach maturity after a full year. In this instance, Starling closed Mr Z's accounts before this could happen. I realise this is disappointing, but I'm not persuaded there's cause to instruct Starling to pay Mr Z the interest he expects.

For these reasons, I won't be asking Starling to do anything regarding this complaint.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 23 September 2025.

Abdul Ali
Ombudsman