

The complaint

Miss D complains that Starling Bank Limited didn't credit her account upfront when she raised a chargeback claim. She's also unhappy that the bank said that due to unusual activity on her account it wouldn't be able to refund her straightaway. Miss D doesn't believe that the activity on her account is unusual because in the past her claims have been upheld, or the claim has been credited upfront.

What happened

Miss D raised a chargeback with Starling Bank for an item from Vinted which wasn't delivered. She says that Starling Bank didn't apply a conditional refund and told her this was due to unusual activity on her account.

Miss D doesn't think Starling Bank's allegations are justified as they haven't provided evidence of unusual activity on her account. She's unhappy that Starling Bank didn't consider her autism when handling her claim.

Starling Bank didn't uphold the complaint. It said it hadn't made any errors in the way the claim was handled.

Our investigator didn't uphold the complaint. She said that Starling Bank reviewed claims on a case-by-case basis and that there wasn't a requirement for Starling Bank to provide an upfront credit. The investigator said that Starling Bank had explained why it had come to the conclusion that there was unusual activity on Miss D's account. The investigator said that Starling Bank's records showed that Miss D had made them aware of her autism in April 2024, but she hadn't requested any reasonable adjustments.

Miss D didn't agree. She said she'd requested additional support from Starling Bank regarding adjustments and that this should have been documented. Miss D said she felt it was important to address the issue of "unusual account activity". She said she'd requested evidence of this several times, but none had been provided. Miss D said that Starling Bank had never clearly stated that there were issues with the chargebacks she had raised in the past which could cause an issue in the future.

Because Miss D didn't agree, I've been asked to review the complaint.

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 know it will disappoint Miss D, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Chargebacks are a voluntary scheme. How it works is that the card issuer checks the complaint against the possible chargeback reasons to see what sort of evidence is required and under what timescales. This is so it can decide whether it can make a successful claim for the customer. Card issuers don't have to submit claims, and they will only do so if they believe they have evidence which will support a chargeback claim so that it will be successful. This service expects card issuers to help if they can, but we don't expect them to raise a chargeback if there is little prospect of success.

I've looked at Miss D's request to raise a chargeback to decide whether Starling Bank acted fairly and reasonably in its handling of the claim.

Starling Bank has told this service about its process when a chargeback is raised. An agent reviews each claim on a case-by-case basis and decides whether to raise a chargeback and issue a temporary credit.

The rules which apply to chargebacks are set by the card issuer, which in Miss D's case is Mastercard. The Mastercard rules say that Starling Bank can raise an immediate chargeback if the delivery date has passed or if they have received confirmation that the merchant won't be supplying the goods. There's no requirement in the rules for Starling Bank to issue an upfront credit. Starling Bank has told this service that it sometimes issues an upfront credit, but each case is reviewed on a case-by-case basis and an upfront credit isn't guaranteed.

I appreciate that Miss D received upfront credits with previous chargeback claims. So, I understand why she expected an upfront credit in this case. However, as I've explained, there's no obligation on Starling Bank to issue a credit as soon as the claim is made, so I'm unable to say that the bank has made an error or acted unreasonably.

I've reviewed the records provided by Starling Bank. These show that the bank was aware of Miss D's autism and had noted it on the account. The records show that Miss D didn't require any reasonable adjustments.

Miss D has said that she did request additional support when she contacted Starling Bank about adjustments. I haven't been able to find any evidence of such a request being made. Miss D has said that the request was made in a welfare phone call, but this call hasn't been made available for me to listen to, and Miss D hasn't confirmed the date of the call.

I've reviewed the explanation that Starling Bank gave when Miss D asked them why her account hadn't been credited. Starling Bank said that because there had been lots of similar claims in the past, which they considered to be unusual activity, they wouldn't be able to issue a refund straightaway and would need to wait until funds were recovered from the merchant before refunding Miss D's account.

I'm satisfied that Starling Bank provided a reasonable explanation for why it couldn't issue a refund straightaway. I don't think it was unreasonable of Starling Bank to look at past activity on Miss D's account and decide to review the case before issuing a refund.

I'm sorry to hear that Miss D found the language used by Starling Bank upsetting. Miss D has said that she asked Starling Bank to evidence the unusual activity on her account, but it hasn't done so. I've thought about this but I don't think Starling Bank need to provide evidence of previous claims. Miss D herself acknowledges that she's made claims in the past.

Having considered all the available evidence, I'm unable to uphold the complaint. I don't think Starling Bank made an error by not issuing a refund straightaway. Overall, I think the

claim was handled fairly and reasonably. I won't be asking Starling Bank to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 17 June 2025.

Emma Davy
Ombudsman