

The complaint

Mr P complained because Starling Bank Ltd refused to refund him for transactions he said he hadn't authorised.

What happened

In March 2025, Mr P was abroad with friends. In the early hours of 9 March, there were six transactions, all to the same business. These were for the sterling equivalent of:

£4.07 at 1.21am

£805.73 at 1.42 am

£1,007.16 at 2.12 am

£1,969.56 at 2.51 am

£1,969.56 at 3.21 am

£3,916.73 at 4.08 am

So the total was £9,202.80.

The other transactions later that morning were two taxi costs at 6.09am and 6.36am, and a coffee retailer at 6.58am.

At around 10am Mr P contacted Starling and said he didn't recognise the six transactions above. He said he'd become separated from his friends after dinner. He gave more information to Starling on 11 March, when he'd arrived home. He said he didn't remember the drink, but in view of later transactions at the same location, he believed his drink had been spiked. He said he had a cut on the back of his head and on his right foot, and the right side of his face was sore. He said that when travelling to the airport he'd had no recollection of what happened, and didn't feel he was in control of himself.

Starling replaced Mr P's card. But Mr P had to chase Starling multiple times as he didn't hear the outcome about the disputed transactions. By 31 March he still hadn't heard anything, and he complained.

Starling replied to Mr P on 4 April – but only about the customer service. It said it had told Mr P on 9 March that its disputes team would investigate and would update him within five working days. But it said that its disputes team was still investigating Mr P's fraud claim. It apologised, and accepted there had been clear delays in providing Mr P with updates. Starling accepted that between 14 March and 3 April, Mr P had chased seven times. So Starling offered Mr P a compensation payment of £125, which it credited to his account on 7 April.

Also on 4 April, Starling asked Mr P for more information, including where the transactions had taken place and whether Mr P had reported it to the police, which he had. Starling replied to say that it had concerns about the legitimacy of Mr P's claim, and it had evidence to support those concerns. It said it couldn't share the evidence with him, but it had concluded there had been no fraudulent spend.

Mr P wasn't satisfied and contacted this service. He set out what had happened, and said he believed Starling hadn't looked into it at all, but had just rejected it. He said he'd banked with

Starling since 2017 but it had let him down. He said that when he'd returned home from abroad on 9 March, he'd been in a state he'd never felt before. After getting home on 9 March, he'd had to work from home on 10, 11 and 12 March. His employer had then given him a week's leave because of stress. Mr P said that the lost money was part of two loans he'd received. One was to consolidate debt, and the second was a loan he was due to pay back to the loan company when he'd returned from abroad. Mr P said he wanted a proper review, and his money back.

Our investigator didn't uphold Mr P's complaint.

She said she'd searched for the address of the merchant, which Mr P had believed was a restaurant, but her search showed it was a club. She explained that the first three disputed transactions had been made with Mr P's Apple Pay, using his device. The other three disputed transactions had been made using Mr P's debit card and PIN. As Mr P hadn't used his PIN at the venue before the disputed transactions, she couldn't see how an unknown third party could have had the opportunity to see Mr P entering his PIN, and then use it themselves. There were two declined transactions because an incorrect PIN had been entered, but they'd been made after the disputed transactions.

The investigator pointed out the consent to a payment wasn't invalid if a consumer says they were drugged and couldn't appreciate what was happening, nor if the payment terminal had been tampered with.

She also considered whether Starling should have done more to flag these transactions as fraudulent. But the transactions hadn't happened in quick succession, and had been made using Mr P's genuine card and correct PIN. The Apple Pay transactions had been made using Mr P's device and biometrics or PIN/passcode. Mr P had also said he had his card and phone before and after the disputed transactions. And as the payments had been made using Mr P's payment instruments – his card, virtual card, or a card stored in an e-wallet, and his Starling login codes and PIN, and biometrics – the payments wouldn't have raised any concerns.

The investigator also considered that Starling's payment of £125 was fair for the delays, lack of communication, and stress it caused to Mr P during the course of his complaint.

Mr P didn't agree, and sent a long detailed objections. In summary, he said:

- The investigator had based her finding on his payment instruments (card, PIN, biometrics) being used. But he said the regulations say that a transaction is only authorised if the payer gives consent, and he hadn't been in a state to provide valid consent;
- He'd been separated from his friends in a nightclub and had physical symptoms consistent with being drugged and assaulted and he'd been bedbound for days afterwards. He said the amounts were absurd and irrational for the venue;
- He didn't agree that his PIN couldn't have been observed. He said he could have been seen using his PIN in any earlier place, including the clubs and bars he'd visited earlier that evening when he'd used his card. He said if his phone had been used when he'd been incapacitated, Face ID could have been exploited by holding the phone to his face without his consent;
- Lack of a hospital visit didn't prove he hadn't been drugged;
- He understood that Starling's anti-fraud systems relied on things like rapid succession of payments, but this wasn't enough in a non-standard situation if he'd been drugged. The transactions were outside his usual spending, and as they were early morning, in a foreign nightclub, they were high risk. Also both Apple Pay and card/PIN had been used, which suggested someone else had made them.

- £125 compensation wasn't enough for the serious financial, emotional, psychological, and physical harm he'd suffered;
- The fact he'd initially thought it was a restaurant rather than a nightclub proved he'd been disoriented.

Mr P then added more points, saying:

- He'd been vulnerable and incapacitated at the time of the disputed transactions and bedbound for days afterwards, including suffering a head wound;
- The fact that the transactions increased suggested they weren't legitimate purchases;
- Having his card and phone in his possession didn't prove he'd consented, because he'd been mentally impaired;
- £125 compensation was wholly inadequate because of the trauma, financial loss, health effects, and time he'd spent pursuing his claim.

Mr P asked for an ombudsman's 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.

As I've set out above, Mr P has raised multiple points in his submissions to this service. I've understood all of those and considered all he's said and sent us, but in reaching my decision here I've focused on what I think is vital to my conclusions.

What the Regulations say

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So what decides the outcome here is whether it's more likely than not that Mr P, or a third party fraudster unknown to him, carried out the disputed transactions.

Who is most likely to have authorised the disputed transactions?

The technical evidence shows that the first three disputed transactions were authorised on Mr P's registered phone, using his Apple Pay. Mr P said his device was accessed using Face ID. The fourth, fifth and sixth transactions, which were the higher value ones, were carried out using Mr P's genuine debit card and correct PIN. So to make these transactions, any hypothetical fraudster would have had to have taken Mr P's phone and debit card and found out his PIN, which account holders are required to keep secret.

I can't see how a fraudster could have found out Mr P's correct PIN. There were no previous PIN transactions that day, so I don't accept Mr P's theory that someone could have seen him use the PIN. If anyone had seen him use his PIN in a different location days before, they'd have had to have memorised it, and followed Mr P around until they had the opportunity to drug him and take his phone and card while he wasn't conscious of what was happening. This just isn't probable.

There are 10,000 possible combinations of a four digit number, so it wouldn't have been possible for a fraudster to guess it. Also, a fraudster who had been able to take Mr P's phone and card without his knowledge, would be very unlikely to have returned it to him. They'd have kept them in the hope of further gains. Similarly, the pattern of the transactions doesn't fit that of a typical fraudulent use. It's not probable that a fraudster would wait some half an

hour to an hour between transactions. They'd have taken as much as possible before the customer could have realised and stopped the payments.

Mr P said he was drugged. But if this had happened, I'd have expected that Mr P would have needed some form of medical assistance abroad. But that isn't what he said happened – he said he flew home the same day. So he must have been well enough to fly, or his airline wouldn't have let him on the plane. Similarly, he wouldn't have been allowed to fly if he'd obviously appeared drunk or drugged.

I've also borne in mind that Mr P gave different versions over the course of this complaint. He initially told this service that after getting home on 9 March, he'd had to work from home on 10, 11 and 12 March. His employer had then given him a week's leave because of stress. But after the investigator rejected Mr P's complaint, Mr P changed this to saying that he'd been incapacitated at the time of the disputed transactions and bedbound for days afterwards, including suffering a head wound. Working from home isn't compatible with being bedbound for days.

And if Mr P had been drugged by the drink purchased at 1:21am, I'd have expected Mr P to have said that he made that purchase, but not the later ones. But he's claiming that he didn't authorise any of the six payments at the club. If he was already drugged and incapacitated before that drink payment was authorised, there's no explanation for how or where he was drugged.

Even if Mr P had been drugged, that doesn't alter the legal position about consent under the Payment Services Regulations. Consent referred to in these Regulations isn't the same as "informed consent" in some other contexts. The validity of a consumer's consent to a payment transaction doesn't depend on the payment transaction being fully explained to them. When a consumer gives a payment order, the underlying relationship between them and whoever they are paying is irrelevant to whether the payment counts as "authorised." This means that if a person has been coerced into making a payment or deceived about the purpose or amount, that doesn't usually make the payment unauthorised. So when a consumer says they were drunk or drugged so couldn't appreciate what was happening, this doesn't invalidate consent.

Having carefully considered the technical evidence, and what Mr P said at different times, I find it's more likely than not that Mr P authorised the disputed transactions himself. Even if he had been drugged as he says, this doesn't alter the position about consent. So Starling doesn't have to refund him.

Should Starling have flagged the disputed transactions as fraudulent?

Mr P says that Starling failed in its fraud monitoring responsibilities. Banks rightly keep their security systems private, and I don't know Starling's complex algorithms for fraud identification. They also change over time, depending on current fraud trends.

I've considered the circumstances here. The transactions used Mr P's registered phone, and his card with its unique chip; and correct PIN. The pattern didn't match typical fraudster patterns, as I've set out above – there were gaps between them, which would match periodic transactions during a night out at a club, and which isn't typical of fraudster behaviour patterns. Mr P pointed out that the transactions increased in value – but fraudsters would start with the highest possible amounts in order to maximise their gains, only reducing them after any transactions were refused. That's not what happened here.

There had also been multiple other holiday transactions in the few days before the disputed ones, so it wasn't impossible that Mr P was simply continuing his holiday spend. Banks have

to balance their responsibilities to prevent fraud, with their responsibilities to make a customer's payments promptly and without delay.

However, the values here are high. I consider that when the second £1,969.56 payment was made, Starling should have had concerns and checked with Mr P whether or not he wanted the payment to go through. I also, however, have to consider what would have happened if Starling had intervened as it should have done. For the reasons I've set out above, I've found that it's most likely that Mr P authorised the transactions at the club himself. So it's also most likely that if Starling had intervened as I consider it should have done, Mr P would have confirmed that he wanted the transactions to go through.

Starling's customer service

I agree that Starling's delays in dealing with Mr P's claim were poor. They didn't meet their own stated targets, and Mr P had to chase multiple times. So I find that Starling did need to pay Mr P compensation for its customer service failings, and I've considered how much would be fair and reasonable.

Mr P said that £125 for delays and poor communication during his claim was wholly insufficient. He said this was because of:

- The serious financial loss he'd suffered;
- The emotional and psychological toll of the experience;
- The physical harm and incapacitation he'd experienced; and
- Frustrating and delayed investigation.

However, only the last one of these relates to Starling's customer service. I've found that it was likely that Mr P authorised the transactions himself. But even if I had found that it was likely that a fraudster, rather than Mr P, had authorised the payment - any financial loss, emotional and psychological toll, and physical harm resulted from the fraudster's actions, not from Starling bank's customer service. So what I have to assess is the compensation which would be fair and reasonable for Starling's frustrating and delayed investigation.

I consider that £125 is fair compensation for the delays and poor customer service. I note that Mr P rejected this, but Starling paid it anyway on 7 April. So there is no further compensation due to Mr P.

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 Mr P to accept or reject my decision before 26 September 2025.

Belinda Knight
Ombudsman