

## The complaint

Mr M complains that Starling Bank Limited (Starling) is refusing to refund him the amount he says he lost as the result of a scam.

Mr M is being represented by a third party. To keep things simple, I will refer to Mr M throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr M was looking for an investment opportunity when a friend at work introduced him to an investment platform I will call "X". X's website and online presence looked professional and legitimate.

Mr M's friend introduced him to an individual that worked for X and Mr M was invited to X's offices where an investment opportunity was discussed in more detail. X appeared very knowledgeable, and Mr M was told that based on historic performance Mr M could expect to see returns of around 40%.

Based on the information Mr M had received he decided to invest and started making payments into the investment.

Sometime later, X converted all their investors' funds into its own cryptocurrency and the value of the coin is now worthless.

Mr M has disputed the following payments:

<u>Payment</u>	<u>Date</u>	<u>Payment Method</u>	<u>Amount</u>
1	20 August 2021	Debit Card	£78.08
2	20 August 2021	Debit Card	£762.03
3	20 August 2021	Debit Card	£761.84
4	20 August 2021	Debit Card	£762.26
5	20 August 2021	Debit Card	£761.89
6	20 August 2021	Debit Card	£762.19
7	20 August 2021	Debit Card	£761.80
8	20 August 2021	Debit Card	£312.13
9	20 August 2021	Debit Card	£762.37
10	20 August 2021	Debit Card	£762.21
11	23 August 2021	Debit Card	£768.43
12	23 August 2021	Debit Card	£315.50
13	26 August 2021	Debit Card	£763.84
14	26 August 2021	Debit Card	£763.58
15	26 August 2021	Debit Card	£763.70
16	26 August 2021	Debit Card	£763.83
17	27 August 2021	Debit Card	£764.98

18	27 August 2021	Debit Card	£764.94
19	27 August 2021	Debit Card	£765.33
20	2 September 2021	Debit Card	£764.88
21	2 September 2021	Debit Card	£764.26
22	2 September 2021	Debit Card	£764.48
23	2 September 2021	Debit Card	£765.24
24	3 December 2021	Debit Card	£802.31

Our Investigator considered Mr M's complaint and didn't think it should be upheld. Mr M disagreed, so this complaint has been passed to me to decide.

### **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.

The evidence provided by both Mr M and Starling sets out what happened. What is in dispute is whether Starling should refund the money Mr M says he lost to a scam.

#### *Recovering the payments Mr M made*

Mr M made the disputed payments via his debit card. When payments are made by card the only recovery option Starling has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid and potentially succeed. Time limits also apply.

Unfortunately, Mr M made his complaint to Starling outside of the allowed time to raise a chargeback and therefore Starling has been unable to attempt a chargeback for the payments Mr M made into the scam.

#### *Should Starling have reasonably prevented the payments Mr M made?*

It has been accepted that Mr M authorised the payments that were made from his account with Starling, albeit on X's instruction. So, the starting point here is that Mr M is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

From the information available about X, I am unable to conclude that it was operating a scam. So, Starling did not have a responsibility to protect Mr M from it. Mr M has disputed this and provided multiple arguments and evidence to support his view.

Even if I was to have concluded X was operating a scam (which I'm not), the question I would have to ask is whether Starling should have been aware of the scam and stepped into question Mr M about the payments he was making. And if it had questioned Mr M, would it have been able to prevent the scam taking place.

Mr M made multiple payments in the same day for similar amounts totalling a reasonably

high value. I think these types of payments should reasonably have caused Starling to have concerns.

But If Starling was to have intervened it would not have been required to give Mr M advice on his investment. Starling would likely have found that Mr M had been introduced to X by a friend/colleague and had visited X's offices where he had spoken face to face with a representative of X. Online research about X would also not have found that X was operating a scam.

With the above in mind, I don't think Starling would have had any reasonable concerns about the payments, and I think it's most likely the payments would have continued to be made. I think this would have been reasonable given the information available at the time.

So, I don't think Starling missed an opportunity to prevent the payments Mr M has disputed and it's not responsible for his loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 August 2025.

Terry Woodham  
**Ombudsman**