

## The complaint

Ms D complains that Starling Bank Limited (Starling) won't refund the money she lost when she fell victim to a job scam. Ms D was initially represented in this complaint, but I'll refer to her as it's her complaint.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Ms D explains that at the time of the scam she was preoccupied and feeling vulnerable due to difficult family and private matters. Also, she was experiencing physical and mental health issues and, combined, these impacted on her finances and her thinking. Also, she was unaware of risks associated with cryptocurrency.

Ms D was searching online for remote work and came across a commission-based data optimiser job with Company I (this name is a legitimate overseas company).

Ms D spoke to X (the scammer) on a messaging app and was informed that the job was completing product reviews, without actually using the product, aimed at boosting search engine optimisation and some products earned greater commission.

After discussing the job and completing a suitability form, she was given access to a fake platform in the name of Company I. Ms D was given a mentor and informed that she would need to deposit her own funds to get a credit balance and gain access to sets of tasks.

Ms D paid the scammers by:

- Sending money from her bank account with Bank L to Starling and Firm N (a building society).
- Then crediting her accounts with Firm C (a crypto exchange), Firm R (an on-line remittance company which she already held an account with) and Firm T (another on-line remittance company).
- Then transferring funds from Firms C, R and T to the scammers crypto wallet.

Here is a list of the Ms D's transactions:

Payment No.	Date	Time	Payment Type	Beneficiary	Amount
1	27 September 2024	11:41	Card	Ms D account with Firm R	£57.99
2	30 September 2024	16:52	Card	Ms D account with Firm R	£74.11
3	1 October 2024	10:39	Card	Ms D account with Firm R	£449.99
4	3 October 2024	16:10	Card	Ms D account with Firm R	£1,847.99

5	11 October 2024	12:40	Card	Ms D account with Firm T	£1,900
6	21 October 2024	16:15	Card	Ms D account with Firm T	£1,000
7	21 October 2024	16:19	Card	Ms D account with Firm T	£1,000
8	21 October 2024	16:23	Faster payment	Ms D's account with Firm N	£1,500
<b>Total</b>					<b>£7,830.08</b>

Over the course of three weeks Ms D was asked to make an ever-increasing number of deposits to gain access to her earnings and funds. She realised she'd been scammed when she tried to withdraw her account balance and was told that she needed to pay tax before the funds could be released.

Ms D complained to Starling and Firm N seeking a refund of the above payments, as she considered that they should've done more to protect her.

Her complaint points to Starling included the following:

- Starling *'allowed all my payments to go through successfully. They did not suggest or warn me that these multiple payments would involve any scams or other financial risks'*.
- If Starling had intervened and asked effective probing questions she would've been likely to realise that she was falling victim to a scam.
- When notified of the scam Starling failed to report the scam promptly.

Starling couldn't see they had done anything wrong, however paid Ms D £100 compensation as they didn't meet their outcome response deadline.

Ms D was dissatisfied with Starling's response, so she brought her complaint to our service. However, our investigator didn't think Starling could've prevented the scam and thought their compensation offer to be fair and reasonable.

As Ms D remains dissatisfied her complaint has been passed to me to look at.

### **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, my decision is to not uphold this complaint, and I'll explain why.

I should first say that:

- I'm very sorry to hear that Ms D has been the victim of this cruel job scam and lost a significant amount of money here.
- In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on the balance of probabilities.
- I'm satisfied that the contingent reimbursement model and the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply here due to the payments being made by card and to an account in Ms D's name.
- Regarding Starling being unable to recover Ms D's loss, they have explained and evidenced their difficulties getting information from the recipient firms. Also, as the

payments made to the scammer were by card to accounts Ms D had control of and then onto the scammer, I don't think Starling could've been expected to recover the funds. Also, the goods and service were rendered and unfortunately card chargeback rules don't cover scams.

I considered the Payment Services Regulations 2017 (PSR) and Consumer Duty.

## PSR

Under the PSR and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Ms D made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, a bank should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Starling should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.
- Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

## Consumer Duty

Also, from July 2023 Starling had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Starling was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, look out for signs of vulnerability. However, although Ms D has provided information on her vulnerability at the time of the scam, and I empathise with her situation, I can't see any evidence that, prior to this scam, she'd made Starling aware of this.

With the above PSR and Consumer Duty in mind I looked closely at the information on file and all of the eight payments to consider whether Starling should've recognised Ms D was at risk of financial harm and triggered an intervention.

## Payment 1 to 3

Firm R is a legitimate online remittance company, and they were an established payee as Ms D had previously, in 2021, 2023 and September 2024 (just a week before payment number 1) made payments to them.

As payments 1 to 3 were for relatively low amounts, I wouldn't have expected Starling's system to have triggered an intervention.

#### Payments 4 to 5

Although they were both higher than previous spending and payment 5 was with a new remittance company, I don't think the amounts were high enough for Starling to become suspicious. Also, there was a gap of eight days, and it isn't unusual for customers to set up and use different companies when sending funds locally or across countries.

There wasn't a suspicious scam pattern on the first five payments as they were all on different days and spread over a week. In addition, Starling process thousands of transactions, this was an established payee and many consumers use Firm R to send money worldwide. So, I wouldn't expect an intervention here.

#### Payments 6 to 8

On 21 October 2024, I think a suspicious pattern was developing and could be seen at both payment number 7 and 8. This is because Ms D made three payments (6, 7 and 8) within an eight-minute period. So, there was a velocity of same day payments in a very short period of time and the total was higher than she would normally spend.

So, I think Starling should've looked to put an automated intervention at payment 7 (4 minutes after payment 6, checking Ms D's payment reason and providing appropriate scam education and warnings) and an intervention with a fraud and scam agent at payment 8 (probing Ms D's payment and providing appropriate scam education and warnings).

I can see that Starling put in an automated intervention at payment number 8 rather than a human intervention and Ms D received the following warning, message and link:

- *'Could this be part of a scam?'*
- *'Always verify who you are sending money to as you may not be able to recover these funds'.*
- *'A fraudster may tell you to ignore these warnings'.*
- *A link to 'Visit our website for scam advice'.*
  - When clicked upon this highlighted current scams

Although Ms D acknowledged these messages and proceeded with payment 8, for the reasons mentioned above, I think Starling should've put this in place one payment earlier, at payment 7, and it ought to have contacted Ms D at payment 8 to probe what she was doing and check she wasn't at risk of falling victim to a fraud or scam.

I've then considered causation. Put simply, whether Starling's failure to effectively warn and intervene at payment 7 and 8 caused Ms D's losses from these points in time. To do this, I reflected on whether any such interventions would've made any difference.

Having done so, I think it more likely than not that these interventions and probing open questions wouldn't have been effective.

I say this because Ms D proceeded when given an automated warning. Also, dialogue between Ms D and the scammer shows that she was very concerned about her banks asking her questions and not accepting her payments (the scammer applied time limit pressure to top up her account and she was worried about her funds). She sought advice from the scammer who suggested evasion tactics of using different accounts and making payments in instalments and there is evidence of multiple same day payments (to both Firm

N and Starling). And Ms D says the scammer advised her to *'tell bank that my family and friends have sent this money for my personal maintenance'*.

In addition, information from Firm T shows that when she set up payments to the scammers, she prevented them implementing fraud prevention measures. When adding two receivers to her Firm T profile, she was shown a warning for each receiver asking if she knew and trusted them and advised to stop the transfer if unsure, yet she selected *'Yes, continue'*. Furthermore, Ms D had previously paid on-line remittance companies and one (Firm R) was an established payee.

So, considering the above, I think it more likely than not that upon effective interventions she wouldn't have told Starling the real reasons for her payments, and they would've found it difficult to ask probing questions, give appropriate warnings, unravel the scam and prevent Ms D from going ahead with the payments.

Finally, regarding further compensation given Starling ought to have intervened at an earlier point. As I don't think an intervention would've unravelled the scam or prevented Ms D's loss and the distress and inconvenience here has been caused by the cruel scammer rather than Starling, I don't think it would be fair and reasonable to require them to make a further compensation payment.

I realise the outcome of this complaint will come as a great disappointment to Ms D but, for the reasons I've explained, I won't be upholding this complaint and asking Starling to make any refund.

### **My final decision**

For the reasons mentioned above, my final decision is not to uphold this complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 15 October 2025.

Paul Douglas  
**Ombudsman**