

The complaint

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

Mr T is being represented by a third party. To keep things simple, I will refer to Mr T 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 T was introduced to an investment company I will call X by one of his customers.

Mr T spoke to X mostly via a messaging application and over the phone. Mr T says X appeared legitimate and professional and X was able to build trust with him.

Mr T was required to download what appeared to be a legitimate trading platform with a company I will call Y and was able to log in to the platform where he could see his funds being deposited, and trades being made. Mr T was also required to give X access to his account.

Having built trust with Mr T over a more than six-month period Mr T was convinced to make further, more substantial payments from his Starling account.

Mr T says he attempted to make a withdrawal from the investment, but X told him he would have to make further payments first. X then disappeared and Mr T was no longer able to communicate with it. At this stage Mr T realised he had fallen victim to a scam.

Mr T has disputed the following payments made from his Starling account:

Payment	Date	Payee	Payment Method	Amount
1	30 March 2023	Tio Markets UK	Debit Card	£4,973
2	31 March 2023	Tio Markets UK	Debit Card	£4,557

Our Investigator considered Mr T's complaint and didn't think it should be upheld. Mr T 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.

I think it's most likely Mr T has fallen victim to a scam. The evidence provided by both Mr T and Starling sets out what happened. What is in dispute is whether Starling should refund

the money Mr T lost due to the scam.

Recovering the payments Mr T made

Mr T made payments into the scam 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 T made his complaint to Starling outside of the allowed time to raise a chargeback, therefore Starling would be unable to attempt a chargeback for the payments Mr T made into the scam.

Should Starling have reasonably prevented the payments Mr T made?

It has been accepted that Mr T authorised the payments that were made from his account with Starling, albeit on X's instruction. So, the starting point here is that Mr T 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.

The question here is whether Starling should have been aware of the scam and intervened when Mr T made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr T made appeared to be going to a legitimate business and there were no official warnings available at the time that would have suggested Y was not a legitimate business. So, I don't think I would necessarily have expected Starling to intervene when Mr T made either of the disputed payments.

Although even if I was to say that Starling should have intervened, I don't think an intervention would have been successful. I would have expected, at most, Starling to advise Mr T to carry out research before proceeding with the investment.

At the point Mr T made the disputed payments he had been talking and investing with X building trust for over six months, he had also been able to make a small withdrawal, and when he questioned X about bad reviews online X was able to quickly persuade Mr T that the investment was legitimate. In addition to this, if Mr T had carried out further research on Y at the time he would have found a legitimate trading platform with no official warnings being available. So, I don't think further research would have uncovered that a scam was taking place.

With this in mind, I don't think Starling missed an opportunity to prevent the scam and it is not responsible for Mr T's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 July 2025.

Terry Woodham
Ombudsman