

The complaint

Mr E complains Starling Bank Limited unfairly restricted his account, failed to release his funds when they should have, and provided poor customer service. He wants compensation for the impact this had on him.

What happened

Mr E held an account with Starling Bank. In late January 2025 Starling restricted his account to carry out a review. They sent him an email asking him questions about payment activity on the account, which Mr E says he didn't receive.

During the review period, Mr E and Starling communicated both via their messaging service and by phone. Mr E pointed out one of Starling's questions about why payments into his account weren't from him was incorrect, as the payments were in his name. He was also unhappy that no timescale was given to him.

Starling Bank allowed Mr E access to the funds in the account in late March 2025 and gave notice that they would close the account.

In their final response letter Starling said they restricted and closed Mr E's account fairly, but there were significant delays in their specialist teams responding to his messages. Unhappy with their response, Mr E brought his complaint to our service.

Our investigator didn't uphold Mr E's complaint. In summary they said Starling were acting in line with their obligations, and while Starling could have acted sooner during a specific period, it would not be appropriate to award Mr E compensation. They also found Starling acted in line with their terms and conditions when they closed the account.

Mr E asked for a final decision by an ombudsman, so his complaint has been given to me to decide. He highlighted that the delay in receiving his funds caused him to miss a rent payment.

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've decided not to uphold Mr E's complaint. I'll explain why.

Banks have important legal and regulatory obligations to carry out when providing accounts. Broadly speaking they will monitor customer activity and carry out reviews to these ends. It is also common for them to block accounts during a review to mitigate against the risk of breaching their responsibilities, which is what happened here. Not doing so, could otherwise result in both civil and criminal liability.

I've considered the reasons for Starling's review and find they were legitimate and their decision to restrict Mr E's access to his account was reasonable. Similarly, I find they acted in line with their terms and conditions when they closed the account. I appreciate Mr E may want to know the basis for Starling's review and their decision to close the account, particularly because they made a mistake in one of the questions they asked him. But I find that information should be kept in confidence and Starling is not under an obligation to disclose it to him.

It's possible Starling could have completed their review earlier than they did – although, I'm persuaded they sent Mr E an email to the address registered to his account shortly after it was restricted, which Mr E says he didn't receive. But it doesn't always follow that I should award compensation just because a complainant might have experienced loss due to a delay. Instead, I must consider all the circumstances of an individual complaint to reach an outcome I'm satisfied is fair and reasonable.

Having carefully considered the nature of information that led to Starling's review taking place, I don't find it would be appropriate to award Mr E compensation for not having access to the funds in his account earlier. This includes any losses he experienced that flowed from it, including his missed rent payment.

My final decision

My final decision is I do not uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 November 2025.

Liam King
Ombudsman