

The complaint

Mr V complains that Starling Bank Limited (Starling) won't refund money he lost when he fell victim to a cryptocurrency investment scam.

What happened

Mr V was contacted by a friend, who he later realised, was being impersonated by a scammer. The scammer offered him an opportunity to invest in cryptocurrency, and sent him a link for a trading platform which I'll call N. The trading platform allowed Mr V to track the investment performance.

After initially trying to send money to N via a cryptocurrency exchange, Mr V was told to set-up an account with an international money remittance company, who I'll refer to as R.

Mr V made two payments towards the investment via R, before trying to withdraw his 'profits'. He was then told he needed to make a third payment of £9,500 as a withdrawal fee – which he did.

The card payments in dispute are below:

Payment	Date		Amount
1	15 February 2025	Card payment to R	£500
2	16 February 2025	Card payment to R	£5,501.99
3	19 February 2025	Card payment to R	£9,501.99

Mr V realised it was a scam when he couldn't withdraw his 'profits' again despite paying the withdrawal fee. He was told by the scammers that he had to pay further 'transaction' fees totalling £41,000. Mr V then contacted Starling and reported it.

Starling considered Mr V's scam claim and complaint. It didn't refund him the money he'd lost, but it did offer £200 for the service he'd received after reporting the scam.

Starling said as Mr V authorised the payments, he was liable for them. It also said as the disputed payments were made by card, they were not covered by the protections offered by the Contingent Reimbursement Model (CRM) Code.

Unhappy with the response, Mr V referred the complaint to the Financial Ombudsman Service.

Our Investigator looked into the complaint. They said Payments 2 and 3 should have been stopped by Starling, and questions asked around why he was sending them. They didn't think an intervention would have made a difference though. Mr V was being coached and told not to disclose why he was making the payments, and the Investigator said he'd moved past warnings that were relevant to his circumstances. So, the Investigator didn't think Starling needed to do anything.

Mr V asked for an Ombudsman to make a final decision. He said that Starling should not have processed multiple high value payments in quick succession to R, without fraud prevention checks. He was also unhappy that Starling did not pursue a chargeback, even though the payments were made as a result of a scam. Mr V said that Starling offered no meaningful support or advice after he reported the scam.

So, the case 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.

Having done so, I have decided to not uphold this complaint. I know this will be disappointing for Mr V, but I'll explain why I've reached that conclusion.

It's not in dispute here that Mr V authorised the payments in question. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Starling was obliged to follow Mr V's instructions and process the payments. So, he, rather than Starling is liable for the payments. However, that isn't the end of it.

Mr V has referred to the CRM Code but, this had ended before he made these disputed payments and was replaced by different rules. Neither the CRM Code nor the new rules would apply in Mr V's case though, as they don't cover card payments.

Outside the provisions mentioned above, I've considered longstanding regulatory expectations and requirements, and what I consider to be good industry practice for firms when processing payments. Based on those, I'm satisfied that Starling ought to have been monitoring accounts to counter various risks including preventing fraud and scams.

I agree with the Investigator, that I would've expected Starling to have intervened on Payment 2 and 3. These payment instructions were for amounts that were far larger than Mr V had used his account for in the past twelve months. Both payments were also for a significantly larger amount to R, than the previous payment made to it. Mr V had no history of making payments to R, or any other international money transfer services, so this activity was uncharacteristic and ought to have alerted Starling that he could be at a heightened risk of financial harm.

I understand that Mr V may view Starling's failure to intervene on Payment 2 and 3, as a reason for it to be liable. However, I could only tell Starling to do something to put things right, if I was persuaded that, but for its error, Mr V would not have lost the money to this scam.

Prior to Payment 1, Starling stopped a payment Mr V was making to a cryptocurrency exchange. Mr V received a voicemail and emails from Starling as it wanted to speak to him. These messages also contained a warning about how fraudsters could impersonate anyone by taking over their social media accounts, and not to invest in something that looks too good to be true. I can see Mr V responded to one of the emails to confirm when he was free to speak and so would've seen those warnings. During that later intervention call, Starling also warned that scammers tell victims to provide inaccurate information to them. Despite these warnings that were relevant to Mr V's circumstances, he followed the scammers instructions and explained that he was making a payment to purchase cryptocurrency and keep it in his own wallet, which wasn't accurate.

Starling didn't process that payment, as it explained it didn't support cryptocurrency payments, due to the high losses its customers had lost due to scams connected to it. Despite this, I've taken that intervention into account, when considering how later ones would've likely gone.

After the attempted payment to a cryptocurrency exchange, Mr V followed the scammer's advice to open an account with R. Looking through the communication between him and the scammer, I can see Mr V was following the step-by-step instructions being given, which later included what to do if his payments were blocked.

The payments to R were not identifiably related to cryptocurrency or investments. This is important as Starling would've been more reliant on what Mr V was telling them to be able to give warnings that might be relevant to the scams he was at risk of falling victim to. Mr V was told to say he was sending funds to a family member, and it's worth mentioning that when making a payment through R, he followed that advice from the scammer and told R it was to his cousin. So had Starling asked about the purpose of the payments, I'm not persuaded that on balance, Mr V would've given accurate reasons.

I realise Mr V was following the advice of someone he believed was a trusted friend, who had his best interests at heart. On balance though, the above persuades me that even if Starling had intervened, Mr V would likely have relied on the advice of who he thought was his trusted friend at the time and not disclosed the true purpose of the payment. And so, I don't think Starling would've been able to identify that Mr V was falling victim to a cryptocurrency investment scam. As I've said, I think Mr V had also moved past warnings that were relevant to his circumstances in the earlier stages of the scam, so I think it's more likely than not he would've continued to make the payments and still lost the funds in this case.

So, I don't think Starling could have prevented Mr V from making the payments.

I note Mr V has mentioned he received a refund from another firm for a payment he made towards the same scam. It could be a commercial decision made by the other firm, or some other reason why it chose to refund in those circumstances. However, I'm only focusing on Starling's acts and omissions though, and I've explained why it didn't act unfairly here.

Recovery

I've looked at whether Starling acted fairly when considering if there was anything it could do to help recover the payments.

Again, I agree with the Investigator here. As these were card payments, the recovery avenue would have been limited to raising a chargeback. Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. But Mr V's payments didn't go to the scammer directly, they went to R, an international money remitter.

He wouldn't be able to make a successful chargeback claim in the circumstances because the merchant he paid did provide the service requested i.e., moved the money to the account details provided to it.

While I acknowledge that Mr V feels that Starling should have tried a chargeback, I wouldn't expect them to raise one if there was no prospect of success. There were no other avenues Starling could take to try and recover the funds either, so I don't think it did anything wrong here.

Compensation

I've considered the actions of Starling after the scam was reported to them.

As the Investigator found, I'm persuaded Starling did offer support once it became aware that Mr V had fallen victim to an investment scam. I appreciate he may feel a lack of support given Starling didn't refund him, or attempt a chargeback, but for the reasons I've explained, I don't think these were errors by Starling. I can see it did offer support services, and reached out to check Mr V was ok, which I think was reasonable in the circumstances.

I agree that there were delays, as Starling pointed out themselves. Mr V has not specifically argued about the amount of compensation provided by Starling, but considering the delays and the impact they had, I think the £200 it paid is fair and proportionate, and I don't think Starling needs to pay anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 4 February 2026.

John Ryan
Ombudsman