

## The complaint

Mr D complains that Starling Bank Limited hasn't reimbursed all of the money he's lost to a scam.

## What happened

As a consequence of fraud, Mr D made six card payments (set out in the table below) to two different merchants on 15 April 2025.

Payment number	Amount	Time of transaction	Merchant number
1	£1,929.82	12:16:44	1
2	£1,300	12:19:01	2
3	£1,100	12:23:05	2
4	£1,535.08	12:32:40	1
5	£980	12:52:27	2
6	£750	13:11:31	2

Starling has reimbursed payment numbers 3 – 6 and paid Mr D £125 by way of compensation. But it's said that payment numbers 1 and 2 were one-off transactions and it couldn't have detected that a scam was occurring, or reasonably been aware that something was wrong, at that stage.

Mr D would like Starling to refund payment numbers 1 and 2. Our investigator considered Mr D's complaint about Starling but didn't uphold it. Mr D asked for an ombudsman's final decision, so the complaint has now 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 note that Mr D has confirmed his complaint is about payment numbers 1 and 2 at this stage, and I will focus my findings on those payments.

It's not in dispute that the relevant payments were authorised by Mr D. In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

There are however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation at 'face value' – or should have looked at the wider circumstances before making a payment.

Starling also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes looking out for payments which might indicate the customer is at risk of financial harm.

I've reviewed Mr D's complaint carefully in light of all of this and, although I'm really sorry to disappoint Mr D and I recognise that he made payment numbers 1 and 2 as a result of fraud, I'm not able to direct Starling to reimburse the payments. That's because, having looked into what happened, I don't think Starling ought reasonably to have prevented the loss of the payments.

Starling can't be expected to intervene with every payment a customer makes. It must strike a balance in the extent to which it intervenes in payments, against the risk of unduly inconveniencing or delaying legitimate payment requests.

Having considered what Starling knew about payment numbers 1 and 2 at the time it received the payment instructions, and Mr D's usual account usage, I don't think the relevant payments were so unusual or suspicious that they ought to have alerted Starling that Mr D may be at risk of financial harm. I say this because, although Mr D tended to use his account infrequently, to carry out very low value transactions at around the relevant time, payment numbers 1 and 2 are still relatively low value. It's not unusual for customers to instruct some higher value transactions on occasion, and it's not necessarily indicative of fraud. The payments don't drain the account balance, and they were made to legitimate currency exchanges. Although they were instructed within a few minutes of each other, they are in favour of two different merchants, and I don't think it's suspicious in itself that a customer would instruct two separate payments at around the same time, whilst carrying out their banking activities.

The pattern of payments did become suspicious and indicative of fraud as more and more payments were instructed, and for that reason, Starling has reimbursed the later payments. I think it was fair and reasonable for it to do so.

I recognise that Mr D has been the victim of a scam and I'm sorry he's lost his money. But overall, I don't think there were sufficient grounds for Starling to think that Mr D was at risk of financial harm from fraud when he made payment numbers 1 and 2. So, I can't say the bank was at fault for processing the payments in accordance with Mr D's instructions without intervention, and I won't be directing it to refund them.

I understand that Mr D is dissatisfied with the amount of compensation Starling has paid in this matter, but I find it to be in line with the level of awards this Service would recommend. So I won't be asking it to pay further compensation.

Finally, I've thought about whether Starling could've done more to try and recover Mr D's funds but, due to the nature of the disputed payments, I'm not persuaded that it could. The relevant chargeback rules mean it's unlikely a chargeback will be successful where an authorised payment has been made to a genuine merchant, as appears to be the case here. Scammers often trick people into paying for genuine goods and services, but this does not create a chargeback right against the genuine merchant. And where the prospect of chargeback success is low, I consider it is reasonable for banks not to pursue chargeback claims.

**My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 February 2026.

Kyley Hanson  
**Ombudsman**