

The complaint

Mrs A complains about Starling Bank Limited.

She says that she fell victim to a scam and would like Starling to refund her the £6,000 lost under the Lending Standards Board's Contingent Reimbursement Model (CRM) Code, to which Starling is a signatory.

What happened

Mrs A paid £6,000 to a travel agent in Nigeria in order to facilitate her sister relocating to the UK.

Mrs A was introduced to the company she paid by a friend who had used the same company successfully. Before parting with her money, Mrs A's sister visited the offices of the travel agent in Nigeria where the same process was explained to her.

Happy that the service was legitimate, Mrs A made two payments of £4,000 and £2,000 to a UK bank account. However, after making the payments, the service she was expecting didn't materialise. She asked the company what was going on, but although it said it would refund her, it did not do so.

Mrs A realised she had been the victim of a scam, and asked Starling to refund her under the CRM code. Starling declined to do so as it said that Mrs A didn't have a reasonable basis for belief that she was making a payment for a genuine purpose.

Mrs A then brought her complaint to this Service, and our Investigator looked into things.

Having done so, our Investigator upheld the complaint and said that Starling should refund Mrs A in full.

Starling replied, confirming that it hadn't changed its position, and although our Investigator wrote back to it explaining their reasoning in more detail, Starling didn't respond. So, the complaint has been passed to me to make a final decision.

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 uphold this complaint for broadly the same reasons as our Investigator. I'll explain why.

Mrs A authorised the payments she made. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that she's liable for the transactions. But Mrs A says that she has been the victim of an authorised push payment (APP) scam.

Starling has signed up to the provisions of the Lending Standards Board Contingent

Reimbursement Model (the CRM code) which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams like the one Mrs A fell victim to, in all but a limited number of circumstances.

A customer who has fallen victim to a scam should, under the CRM Code, be refunded in full in most circumstances. But the Code does set out exceptions to reimbursement which a business can choose to rely on, if it can evidence that they apply.

Starling has sought to rely on one exception to the CRM Code – it says that Mrs A made the payments without a reasonable basis for belief that they were for genuine goods/services; and/or the supposed investment was legitimate.

It says that Mrs A was introduced to the travel agency via a messaging service by a friend she had not seen for a long time, which is not a reputable source. It also says that the company had no online presence, and that Mrs A should have questioned why she was making a payment to a UK bank account instead of the agency itself.

However, I disagree, and I think that Mrs A did have a reasonable basis for belief. I'll explain why.

Mrs A was introduced to the travel agency by an old friend via a messaging service – I don't think it was unusual that a friend would communicate with Mrs A in this way – and the friend said that they had successfully used the agency before. I don't see why Mrs A would doubt this.

While the travel agency may not have an online presence, this doesn't mean that it can't be seen as legitimate, and it is not compulsory for a business to advertise online. Mrs A also sent her sister to the agency's office in Nigeria, and she confirmed that it was in an office as expected, and the process described to her sister was the same as Mrs A was told too. I note that Starling has asked why Mrs A's sister has not returned to the office to find out what happened – but I don't see why she should be expected to do this, given that the company is running a scam, for reasons of safety.

Finally, while Mrs A was given a UK account number to pay, and this was in the name of one of the staff of the agency, I don't think that in isolation Starling can say that this shows Mrs A didn't have a reasonable basis for belief. Many companies hold accounts in different countries, and given the other information above, I don't think that this is enough for Starling to reasonably rely on this as an exception to reimbursement.

Putting things right

Starling Bank Limited should refund Mrs A £6,000 and pay 8% simple interest (less tax) from the date it originally declined her claim under the CRM Code.

My final decision

I uphold this complaint. Starling Bank Limited should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 2 January 2026.

Claire Pugh
Ombudsman