

The complaint

Mr B has complained about Starling Bank Limited registering a fraud marker against him.

What happened

In December 2023, Mr B received a series of credits into his Starling account. He quickly forwarded these on to an external account of his, and withdrew the remainder at a cash machine. Starling received multiple reports that the money Mr B had been receiving came from fraud.

Starling repeatedly questioned Mr B about this and chased him. Mr B said the money came from selling shoes and clothes. Starling asked for evidence of his entitlement to the funds, such as invoices, proof of the sales, and dated, timestamped messages with the buyer. But Mr B didn't provide those at the time. Starling closed Mr B's account and registered a fraud marker against him.

Later, Mr B complained and provided further evidence he said he'd since found, including messages where the dates were not visible. Starling still felt the marker was correct.

Our Investigator looked into things independently and didn't uphold the complaint. Mr B's representatives asked for an ombudsman's review, so the complaint has been passed to me to decide.

I sent Mr B and Starling a provisional decision on 15 July 2025, to explain why I didn't think the complaint should be upheld. In that decision, I said:

In order to register this marker, Starling were not required to prove beyond all reasonable doubt that Mr B had done something wrong. They did need to have reasonable grounds to believe that he'd misused his account, which went beyond a suspicion or concern, and which had appropriate supporting evidence. Having carefully considered everything that both sides have said and provided so far, I currently think Starling did have sufficient grounds to register this marker, and that the marker should remain for its full term. I'll explain why.

Starling had multiple reports that Mr B had been receiving and forwarding on the proceeds of fraud. Another institution reported that the proceeds of fraud had been sent to the alleged buyer, then the alleged buyer forwarded them to Mr B. Mr B then forwarded them on again.

Mr B's account had only recently been opened, and its activity was consistent with fraudulent use. For example, Mr B had all but emptied his Starling account of his own funds just before this, meaning his own money wasn't at risk once the fraud was reported. The bulk of his account activity was receiving funds and sending them on, with notable payments made back and forth between Mr B's other accounts in a manner consistent with that of a money mule. When these particular fraudulent funds came in, Mr B quickly forwarded them to another account of his, then when Starling began questioning him he withdrew the remainder in cash. This meant that once the fraud was uncovered, Starling couldn't recover the funds. Mr B appears to have been the main beneficiary of these fraudulent funds.

Starling questioned Mr B about this at the time, repeatedly setting out clearly what evidence they'd need and giving him repeated opportunities to show his legitimacy. And such evidence should've been straightforward for Mr B to provide. But he didn't give them any of the evidence requested. He only provided a screenshot which was purported to be from the sale, but the only date it displayed was "today" and it had been sent weeks after the alleged sale. He said he couldn't provide any evidence of delivering the goods as his mother had taken them to the buyer in person. Mr B's testimony also notably shifted during the conversation. As such, given what Starling knew at the time, I currently find it was fair that they registered this marker. It follows that I also find it was fair they closed Mr B's account, which they were allowed to do in this way in this sort of situation under the terms.

Since then, Mr B has provided a lot of further evidence and testimony, and I'm grateful for his efforts. So even if I don't think Starling did anything wrong in closing the account and registering the marker, I've thought carefully about whether the marker should now be removed in light of Mr B's new evidence.

However, I'm afraid that Mr B's later evidence raises more issues rather than sufficiently supporting his case. As such, I currently find the marker should remain. I'll explain.

Starling and our service were very clear in repeatedly requesting screenshots of messages where the dates were visible. But all the screenshots Mr B has provided notably have the dates missing, except for the one he sent Starling where it appeared to have been from that day – weeks after the alleged sale. Mr B has provided no verifiable evidence from the time of the alleged sale to actually substantiate that he received this money for any legitimate sale.

Mr B says he can't provide dated messages because the messages were set to disappear after 24 hours. But the messaging app in question displays a specific icon when messages are set to disappear, which is missing in the screenshots. So from what I can see, those messages were not set to disappear. And even if disappearing messages had been enabled after that, that would've only applied to new messages – not existing ones. So Mr B would've still been able to provide dated screenshots from the time. As such, I find his explanation to be implausible.

Similarly, Mr B said he took those screenshots as a precaution when Starling started questioning him. But the messages purport to be his discussions with the buyer before a set of payments, and those payments were made more than 24 hours before Starling started questioning him. So had the messages been set to disappear after 24 hours, they would not have been available by then. Further, as noted, Starling were very clear in repeatedly asking for screenshots of those messages, and Mr B did not provide them at the time. So if Mr B was as concerned as he says, and he had the screenshots at the time, it's not likely or plausible he'd withhold them at the time, especially when he supposedly needed this account for his business and it was at imminent risk of being closed.

Mr B says he sourced the sale from a group chat. He only sent us the information tab from that group chat, but that shows that disappearing messages were set to "off". As such, it's unclear why he couldn't provide any dated and timestamped evidence from that chat either.

I do not find the undated screenshots to be convincing, since they were withheld at the time and only provided well after the fact. And if Mr B and the sender were working together to move fraudulent funds – as their payment activity suggests – it would've been easy for them to manufacture these messages after the fact and simply hide the dates. Under our rules, I'm allowed to draw negative inferences from a party's failure to provide the information we require of them. Given how clear and repeated the requests for dated messages have been, given how straightforward it should've been for Mr B to provide this evidence, and given that Mr B has withheld such evidence even knowing how much trouble he's in, I currently think it's more likely than not that the evidence he's sent is not genuine.

Mr B also provided invoices for the sales. But again, these were notably only provided quite some time after the fact, and were withheld from Starling at the time. It's difficult to see why Mr B did that if the sales were genuine. And while some of the amounts match between the invoices, the alleged messages with the buyer, and the amounts Mr B actually received, there are notable discrepancies. For example, the invoices Mr B provided only refer to the payments which Starling happened to ask him about. The other funds he received at the same time from the same individual were left off. And it doesn't seem likely that an invoice would, for example, cover payments 2, 3, 6, 8, 9, and 11 received on a particular day, but miss out payments 1, 4, 5, 7, and 10 from that day. That would make sense if the invoices were fabricated in response to Starling's request about payments 2, 3, 6, 8, 9, and 11. But it's highly unlikely that would happen by coincidence in a genuine invoice.

While Mr B has provided evidence of making other sales, those were to different, seemingly unrelated people, in different months, with the money apparently going to a completely different account to this one. They don't appear to bear any relation to this alleged sale or account. The fundamental issue remains that Mr B hasn't given us acceptable evidence to show that the fraudulent funds he received came from any legitimate sale. Indeed, the fact that he could provide dated and timestamped evidence of even older sales only makes it seem even more implausible that he'd be unable to do so for this one. And given the highly suspicious way Mr B used his Starling account, it's notable that none of the sales he evidenced were paid into his Starling account, despite Mr B saying that this Starling account was specifically for receiving the proceeds of said sales.

I'm afraid there are further issues with Mr B's testimony. Examples include:

- At different points, Mr B said the sender was a repeat business client and they had a buyer-seller relationship, or they were an old friend he trusted, or they were someone he only knew of and was suspicious of and whose identity he had to verify.*
- At different points, Mr B said he'd sold to this person very frequently before this, or only a couple of times before this, or this was his first time. Notably, Mr B had not received money from this person into this account before this incident, despite saying this account was specifically for receiving the proceeds of said sales.*
- Mr B said he didn't provide further evidence to Starling at the time because he wasn't given the option. But in reality, Starling repeatedly chased him for such evidence and gave him multiple opportunities to provide it.*

Putting that together with all the other issues with Mr B's testimony which I discussed earlier, I'm afraid I cannot reasonably treat his testimony as reliable.

In summary, there were multiple reports of Mr B taking in and forwarding on the proceeds of fraud. Mr B's account activity was highly consistent with fraudulent use. He withheld evidence, then later provided evidence and testimony which do not appear to be genuine. He's been unable to sufficiently evidence any legitimate entitlement to the money, even when such evidence should've been straightforward to provide. As such, it seems fair that Starling closed his account and registered a fraud marker against him, and it seems fair for that fraud marker to remain for its full term.

This is a difficult message for me to give, and I know it's a difficult message for Mr B to receive. But given the evidence I have so far, and the balance of probabilities, I'm currently unable to reasonably reach any other conclusion.

I said I'd consider anything else anyone wanted to give me – so long as I received it before 29 July 2025.

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.

In response to the provisional decision, Starling accepted it, Mr B acknowledged receipt and said he'd get back to us by the deadline but didn't send anything further, and on the day of the deadline Mr B's representatives asked for a further extension.

I've carefully considered the representatives' extension request. Our service is tasked with resolving complaints more quickly and informally than a court, and we need to be fair to both sides – so we should not unreasonably delay cases just to serve one side.

Here, Mr B was originally asked for the relevant evidence by Starling in December 2023, and by our service in January 2025. It's been over a year and a half since Mr B was first asked for relevant evidence, and in that time Starling and later our service have repeatedly chased him and granted him extensions. I then granted Mr B even more time to provide the evidence we need by issuing a provisional decision, when I could have issued a final decision. The evidence we need should be straightforward for Mr B to provide and should not require these lengths of time. Further, his representatives have not provided any practical reason why he would now still need even more time, nor any assurances beyond the prospect that he "may" be able to provide some sort of further evidence. And the correspondence for the provisional decision set out the deadline clearly and repeatedly.

I find that Mr B has already been granted more than sufficient time to evidence his side of things, so a further extension would not be necessary, nor fair to both sides. I therefore do not grant this extension.

As such, I have assessed the case based on the evidence I have at this point, as I said I would in the provisional decision. And neither side have provided any new evidence or arguments following the provisional decision and before the relevant deadline. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I do not uphold Mr B's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 August 2025.

Adam Charles
Ombudsman