

The complaint

Ms O says Starling Bank Limited (“Starling”) refuses to refund her for transactions on her account she says she didn’t authorise.

What happened

The facts of this complaint are well known to both parties, so I see no need to repeat them in detail here.

In short, Ms O says she noticed two unauthorised transactions on her account totalling £2,521.87. She says at the time these payments were made she was under the care of the Mental Health Home Treatment Care Team and was a vulnerable customer. She also says she had some workmen coming in and out her house, and she thinks they have used her phone to make the disputed payments via ApplePay on the merchant’s website. Ms O says she didn’t have a phone passcode or password, and there was also no security on her ApplePay. Ms O says Starling should’ve done more to protect her as it was aware she was in a vulnerable state, and she wants it to refund the payments as unauthorised.

Starling says it considered Ms O’s complaint in full but didn’t identify a compromise of her device which could’ve allowed this to happen. It did identify that it didn’t log her complaint at the time she first made it, and this caused a four-day delay. So, it offered to pay Ms O £30 compensation for this error.

Unhappy with Starling’s response, Ms O brought her complaint to our Service. Our investigator considered this complaint but felt it wouldn’t be fair to hold Starling responsible for this. Ms O was unhappy with this, so the complaint has been passed to me for 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.

Generally speaking, Starling is required to refund any unauthorised payments made from Ms O’s account. Those rules are set out in the Payment Service Regulations 2017. Ms O has said she didn’t carry out the transactions in dispute, but Starling says she thinks she did. So, I have to give my view on whether I think Ms O authorised the transactions or not.

Firstly, I would like to start by saying that I’m sorry to learn about the difficulties Ms O has been facing in the last few years. I don’t doubt it’s been a difficult time for her and for that she has my sympathies. However, I have to remain impartial in making my decision on whether I think Ms O should be held accountable for the transactions in dispute.

Starling has provided evidence that the two payments in dispute were made using Ms O’s registered device via ApplePay. This is a method of payment Ms O had used many times in the past; however, she says she didn’t make these two payments. She thinks they were made by workmen in her house using her phone while she was out the room. While I am not

saying Ms O is lying about anything, I have to consider the evidence available from the time to come to a conclusion on what I think is more likely to have happened.

Based on what I've seen I think there are two plausible options here. One is that Ms O carried out the transactions herself. The other option is that a third party took her phone and made the transactions using her ApplePay function, which she says had no passcode or password protection at all, to make the transactions in dispute.

The ApplePay function on a phone requires a form of verification, such as biometrics (face ID or fingerprint ID) or a passcode. There are no known instances where ApplePay payments have been made without a verification step. Ms S said she would send us a video of her using her ApplePay without any verification, but this hasn't been received so I don't have any evidence of this to rely on. Usually, when the iPhone requests a double-click on the side button this activates the facial recognition feature on the phone, which validates the payment. And I think it's likely that the double click Ms S has told us about when she uses her ApplePay is the facial recognition verification. Based on what we've seen, and the evidence provided, I don't these payments would've been possible without some verification on ApplePay.

Ms S is adamant that she didn't make these payments and has provided some online research about how hackers can bypass the facial recognition using deep fakes and other software. While this evidence has not been provided by a reliable source and, in the event that this is possible, I think it's likely that only sophisticated scammers know how to do so. And, based on what she has said the workmen were in her home doing some redecorating. Ms S hasn't told us that her phone was out of her possession, but that she thinks this was done when she was out the room. Having looked at the two payments in detail I can see that the first one was made at 8.46am for £355.96 and the second payment was made at 12.06pm for £2,165.91. So, these two payments were made more than 3 hours apart. And it seems unlikely the builders would've had possession of Ms S's phone for such a long time to make these two payments hours apart and to figure out how to bypass the biometric security.

While there may be a possibility Ms S's ApplePay didn't have any additional security, I have not seen evidence of this previously, and Ms S has also not provided any supporting evidence. And while it is also possible that the builders were able to take her phone either twice, or for over three hours at one time and bypass any ApplePay security, this is highly unlikely. While I have no intention of calling Ms S a liar or implying, she is being untruthful, I am not persuaded that anyone else other than Ms S is likely to have made the payments in dispute. So, I can't fairly say Starling should be held liable for these payments as disputed payments.

I've also noted that Ms S was vulnerable at the time, and she says Starling should've done more to protect her. But these transactions were carried out on her known device via ApplePay which she had used many times before, there was nothing here which flagged any concerns with Starling. And the payments were not so large in value that I think it ought to have intervened and contacted Ms S before processing the payments. As such, there is nothing different I could've expected Starling to do differently in the circumstances.

Starling offered Ms S £30 in compensation for the delay caused in logging her complaint. Ms S hasn't responded to our initial outcome to say why this isn't fair or with any objections. So, I don't need to consider this further, and I think Starling need to do anything more.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 7 January 2026.

Sienna Mahboobani
Ombudsman