

The complaint

Mr S has complained that Starling Bank Limited won't refund the money he lost after falling victim to a scam.

What happened

In summary, in 2021, Mr S was introduced to a cryptocurrency investment scheme by a trusted friend, seeing that his friends were making profits.

Over the course of several months, Mr S made several payments from his Starling account to his own cryptocurrency account, totalling around £4,400. He then bought crypto and sent it on to the scheme.

Mr S's friends began to complain that they couldn't withdraw funds, and unfortunately the scheme in question turned out to be a scam.

In 2025, Mr S complained about the scam to Starling via representatives. Starling didn't think they were liable for Mr S's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mr S's representatives asked for the case to be reconsidered by an ombudsman, so the complaint's been passed to me for 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.

In doing so, I have taken into account everything which both sides have said and provided. Though I won't necessarily comment on every single point or piece of evidence, as a court might. We're an alternative to the courts, here to resolve complaints more quickly and with less formality. So I'll keep my decision focused on what I've found to be the key points. And to clarify, my decision is based on the rules that were in place at the time, and not on future rules which did not exist yet.

From what we've been told, Mr S fell victim to a cruel scam, for which I offer my sympathy. I appreciate that such scams are not easy matters to face, and I appreciate why he'd want to try to get his money back from a scam. We must keep in mind that it'd be the scammers who'd be primarily responsible for their own scam, and it'd be the scammers who'd really owe Mr S his money back. But in this case against Starling, I'm just looking at what Starling are responsible for. And having carefully considered everything that both sides have said and provided, I can't fairly hold Starling liable for Mr S's loss. I'll explain why.

It's not in dispute that Mr S authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for his own payments and a resulting loss in the first instance. And broadly speaking, Starling had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Starling should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Starling should have done more in Mr S's case.

I do appreciate that this was a significant amount to lose in total – again, Mr S has my sympathy there – and that the payments went to a cryptocurrency exchange. With that said, this spending was spread out over the course of several months. And even at its highest, it was never quite so large or rapid as to have been of particular concern, nor did it follow a sufficiently suspect pattern. Starling were not quite as on-notice about crypto scams back then as they were in later years, and these payments were authorised by the genuine customer, from a sufficient balance, to another account of his own. I can't see that Mr S spoke to Starling about the payments at the time, so they didn't miss any contemporaneous opportunity to ask him about the spending; and I can't see that they had sufficient reason to need to contact him about it. Overall, I don't think the payments were quite so remarkable that Starling needed to intervene here.

I've then considered what Starling did to try to recover the money after Mr S told them about the scam. Unfortunately, it wasn't realistically possible for Starling to recover funds which Mr S had already sent on in crypto from his crypto account. And any money still remaining in Mr S's crypto account was still in his name, so there was nothing more for Starling to do there either. Regarding the funds sent by card, it was too late to do a chargeback by the time this was reported, and there was no chargeback reason which would've been appropriate here or which would've had a realistic prospect of success. As these were payments to Mr S's own crypto account, they were not covered by the CRM Code. And I'm afraid there was nothing more that Starling could've reasonably done to get the money back here.

Finally, Mr S's representatives quoted a different decision about a different case, arguing that it set a binding precedent. It doesn't look like that decision said what the representatives claimed it said. Regardless, fellow ombudsmen's decisions don't set a precedent in the way the representatives described. That was a decision about a different case, with its own circumstances. We look at each case on its own merits, and I've explained above why, in these particular circumstances, I can't fairly hold Starling liable.

So while I'm very sorry to hear about what scammers did to Mr S, I don't think Starling can fairly be held responsible for his stated loss. And so I can't fairly tell Starling to reimburse Mr S in this case.

My final decision

For the reasons I've explained, I don't uphold this 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 S to accept or reject my decision before 5 January 2026.

Adam Charles
Ombudsman