

The complaint

Mr A complains Starling Bank Limited (“Starling”) didn’t do enough to protect him when he fell victim to a purchase scam.

Mr A has raised the complaint with us via a third-party representative, in the main I will refer to Mr A.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mr A said he was looking to purchase a vehicle and found one on social media. He said he contacted the seller who we now know to be a scammer. He told us he contacted the seller who said he worked for a company I’ll call G which Mr A said he found on Companies House. Mr A said he checked the vehicle number plate, and it match the make and model of the vehicle.

Mr A said he was quoted £9,025 for the vehicle, transportation costs, it came with a full service history and a 14 day buy back guarantee. Mr A told us he signed a sales agreement and payment details. He said after he’d paid there was little communication from the scammers and he didn’t receive the vehicle; this is when he realised he’d been scammed.

Below are the payments Mr A made from his Starling account which were lost to the scam:

Payment	Amount
1	£100
2	£4,500
3	£4,425

Mr A complained to Starling and it didn’t reimburse his losses. Starling apologised and offered £100 compensation as it said its communication wasn’t timely and it didn’t take the necessary steps when Mr A told it of the impact the scam had on his health.

Unhappy with Starling’s response, Mr A raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and didn’t uphold it. They said Starling’s interventions were proportionate to the risk the payments presented.

As an agreement could not be reached, the complaint has 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.

I'm sorry that Mr A has been the victim of a scam. I realise he's lost a significant sum of money and I don't underestimate the impact this has had on him. And so, I'd like to reassure him that I've read and considered everything he's said in support of his complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr A but having done so, I won't be upholding his complaint. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr A authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Starling should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions (EMIs) should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which Starling is a signatory of, however the code doesn't cover international payments which these were and so isn't relevant here.

I've thought about whether Starling acted fairly and reasonably in its dealings with Mr A when he made the payments, or whether it should have done more than it did. In doing so I've considered what Starling knew about the payments at the time it received Mr A's payment instructions and what action, if any, Starling took prior to processing the payments.

Payment 1 was low in value, so I don't think it suggested Mr A was at risk of financial harm from fraud. When the payment was made Starling displayed a new payee warning. It asked if the payment could be a scam and that customers should verify who they're sending money to as recovery of the payment may not be possible. Mr A proceeded passed this warning and the payment was processed. I think this was proportionate to the risk payment 1 presented.

When Mr A attempted to make payment 2 Starling intervened directly, given the value of the payment and it being sent internationally I think human intervention was proportionate to the risk the payment presented.

Starling spoke with Mr A by phone and communicated in writing with him regarding the payment. In summary Starling asked open and probing questions which is what I would expect from a direct intervention when this payment was made and was able to narrow down the potential scam Mr A was likely falling victim to as a purchase scam, which again is what I would expect from human intervention.

Mr A was forthcoming and explained the circumstances around the payment and the firm he was dealing with. He confirmed it was suggested he make the payment via Starling as it processes payments quickly and described the documentation he'd been provided for the purchase. He offered to send the stamped invoice he'd received to Starling. It accepted and

asked for all documentation he'd received for it to review. Mr A provided evidence to Starling via its app while still on the call. This included the advert for the vehicle, purchase contract and invoices including for the shipping of the vehicle. He provided communication regarding the sale and the ID of the seller.

Starling explained the hallmarks of purchase scams like a customer not seeing the item before purchase, concerns around him finding the vehicle advertised on social media and being asked to send the payment through Starling rather than an account he already had with a high street bank. Starling asked if the person selling the vehicle on social media matched the names of the people he was dealing with and Mr A confirmed they did. Starling also asked if Mr A was happy to make the payment for a vehicle he hadn't seen and he confirmed he was.

During the intervention Starling asked Mr A to find out why the payment couldn't be made by card and said card payments are protected. Starling explained international payments can't be recovered if it turns out to be a scam. Mr A asked G and informed Starling via its app it was due to security concerns relating to card payments. After this Starling told Mr A if he made the payment again it would go through so long as he was satisfied with the information he has been provided about the goods.

Mr A's representative argues the intervention should have gone further and asked for more evidence from the seller via Mr A. I don't agree. Starling asked open and probing questions and reviewed evidence to support the answers Mr A gave. I believe Starling's intervention was proportionate to the risk the payment presented.

Due to the intervention when payment 2 was made I wouldn't expect a further intervention when Mr A made payment 3. He had been clear he was making the purchase over three payments and so another was expected and was in-line with what Starling had been told. I therefore don't think it needed to carry out an intervention when Mr A made payment 3.

As mentioned, Starling offered £100 compensation for service failings which Mr A has confirmed has been paid. I think this offer is fair for the additional inconvenience and distress this would likely have caused Mr A at an already difficult time. I therefore won't be asking Starling to pay any further compensation.

Recovery

I've thought about whether there's anything else Starling could have done to help Mr A — including if it took the steps it should have once it was aware that the payments were the result of fraud.

I've seen Starling attempted to recover his money, but no funds remained in the beneficiary account. I therefore don't think Starling could have done more to recover Mr A's funds.

I'm sorry to disappoint Mr A further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Starling needs to refund his money or pay any additional compensation. I realise this means Mr A is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or

reject my decision before 9 October 2025.

Charlotte Mulvihill
Ombudsman