

The complaint

Mr N complains about Starling Bank Limited (“Starling”) for fees that he incurred on an ATM withdrawal, and the way that Starling has handled his request for a challenge to the charge.

What happened

Mr N held an account with Starling.

Whilst travelling overseas in August 2024, Mr N made a cash withdrawal using his Starling bank card, through a third-party ATM.

The ATM offered options about whether Mr N wanted to make the withdrawal in local currency, or as a withdrawal in GBP converted by the third party. The options on screen were confusing and Mr N ended up choosing to proceed with the third-party bank carrying out the conversion, rather than Starling.

This meant that Mr N was charged an additional sum, of around £17.

In September 2024, Mr N contacted Starling to challenge the additional costs. He spoke with a number of agents and was advised that Starling did not charge additional fees on ATM withdrawals.

Mr N asked Starling to file a reverse complaint against the third-party bank and to ask them to re charge the transaction at the local rate. Starling advised Mr N that this was not possible and suggested that he would speak to the third-party bank as it was the third party that had applied the extra charge.

Starling told Mr N that he could raise a disputed transaction with Starling, but that this may not succeed.

Mr N then pursued the third-party bank and was unable to get the charge refunded.

He contacted Starling in March 2025. He asked Starling to initiate a challenge through Mastercard.

Starling declined to do so as it was now outside of the timescales required by Mastercard.

Mr N was unhappy. He felt that Starling had been wrong to apply the charges and to then require him to go to the third-party bank. He was also unhappy about the way Starling had handled his complaint, including closing the complaint without speaking to him first, and that Starling had not challenged the transaction to Mastercard.

Starling responded to his complaint in April 2025. It stated that Starling had acted appropriately, and the complaint was not upheld. It confirmed that Starling did not charge for conversion and used the Mastercard rates, but that it could not control if third parties charged for ATM withdrawals.

Mr N was unhappy and contacted us.

One of our investigators has looked into this and did not recommend that the complaint be upheld. They explained that complaint handling is not a discrete regulated activity and so we could not look at how Starling had handled the complaint itself. They considered that the evidence supported that Starling had not applied the charge and that it had not done anything wrong.

Mr N did not accept that view and asked for an ombudsman 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 appreciate Mr N's strong feelings about this matter and that he feels he has been misled at the point of incurring the additional fees and subsequently when trying to identify the bank responsible for the charge. I understand that it must be frustrating.

I do, however, agree with my colleague and I do not uphold this complaint.

My colleague previously set out the details of the option that was given at the ATM, which the third-party operated. The evidence supports that Mr N elected the option which caused the additional charge, rather than the conversion being done by Starling.

Mr N feels that he ought to have been able to challenge this, either through a challenge to Mastercard, or through one of the banks involved challenging the withdrawal.

I understand this, but I do not agree that he has been prevented from doing so by Starling. Starling advised Mr N that he could start an ATM dispute in the app, although warned that this may not be successful. It also advised him to go directly to the third party to challenge what had been displayed on the screen at the point of withdrawal.

I do not see that it could have done any more, given that it maintained, and the evidence supports, that Starling had not applied the charge.

I therefore do not consider that Starling did anything wrong in respect of the transaction fee itself.

The remainder of Mr N's complaint relates to how Starling has dealt with his complaint, and in particular that he was promised a return call and did not receive one, and that he was told in March 2025 that he was now outside of the scheme rules for a challenge to Mastercard.

As my colleague explained, complaint handling is not a regulated activity so we cannot look at this as a discrete issue. I note, however, that Starling provided evidence of attempts to return Mr N's calls before closing the complaint, and Mr N acknowledged during a call that he had received calls from unknown numbers which could have been these attempts.

Overall, whilst I understand Mr N's upset at this charge and the handling of it, I do not find that Starling did anything wrong, and I do not uphold his complaint.

My final decision

For the reasons given above, I do not uphold Mr N's complaint and I do not ask Starling Bank Limited to do anything further.

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

reject my decision before 24 October 2025.

Laura Garvin-Smith
Ombudsman