

The complaint

B, a limited company, complains that Starling Bank Plc unreasonably closed their account, leaving them with difficulty in repaying their Bounce Back Loan (BBL).

What happened

B held a current account with Starling, which they also used to make repayments to a BBL taken in March 2021. But in early 2024 Starling asked B about several payments made from the account. B responded with details about the payments.

In April 2024 Starling took the decision to close B's accounts – writing to them and saying they would close the account in 90 days. They also responded to say that the collections team would be in contact to discuss how to repay the BBL. They did not offer a reason for the closure.

Unhappy with this B complained. Starling responded to say that they were satisfied that they had acted appropriately, and had provided relevant information on how to repay the BBL.

Not satisfied with this answer B referred their complaint to our service. They argued that the terms of the BBL required them to have a current account with Starling. They said they had had to make repayments through a personal account.

Our investigators issued several assessments of this complaint. The most recent said she was satisfied that Starling can make commercial decision on who they provide banking services to. She understood B's point about the terms of the BBL agreement but had seen that Starling had provided alternative means of making repayments which she thought was fair. Overall, she didn't see that Starling needed to do anything further.

B disagreed, and as such the complaint has been passed to me to decide.

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.

Having done so, I don't see that Starling need to do anything further. The key consideration here is that Starling have a broad commercial discretion on who they provide accounts to, and on what terms. It's not the role of our service to determine who they should choose to have as customers, and it would be rare for our service to ask for them to continue providing banking services after they have made the decision to close an account. Instead, we would look that the closure decision was arrived at rationally, and the closure in line with the terms of the account.

There's no specific obligation on Starling to explain why they've chosen to close an account, and they have declined to do so here. The rules of our service allow us to receive certain evidence in confidence – such as where it involves information about third parties, or confidential security information.

Starling have provided their reasoning for closing the account to our service and having reviewed this I'm satisfied that it's appropriate for me to treat this as confidential. I'm sorry to B that I won't be detailing it in full here. But I'm satisfied that this was a legitimate commercial decision that Starling were entitled to make.

I appreciate this has then caused difficulty to B, but Starling have provided the required notice under their terms, which is in line with the appropriate regulations. As such, I do not see that they've done anything unreasonable by closing the current account in the manner they did.

From the communication between Starling and B I can see that they were given details of where to make payments soon after the closure notice was issued, which is reasonable.

I've considered what B has said about the terms of the BBL account requiring a current account held with Starling. But I don't see that the intent, or reasonable interpretation of that term, was binding on Starling to provide B with a current account. Starling have offered a practical solution to allow repayments, and I understand that B has been able to do so. I'm satisfied that this is reasonable.

B has commented that Starling do not the ability to pay in branch, or by cash. But these are not services Starling offers. So, I can't reasonably say that they must provide one of these.

I'm sorry to hear of the difficulty B has had in finding accounts elsewhere. But ultimately, I don't see that Starling have done anything wrong in how they've handled the closure of the account. As such, they don't need to do anything more.

My final decision

MY final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 13 October 2025.

Thom Bennett
Ombudsman