

The complaint and background

Miss E complains that Starling Bank Limited (“Starling”) won’t reimburse her for a card payment made in April 2022 to a company (“M”) that she now believes to have been fraudulent.

The details of this complaint are well known to both parties, so I won’t repeat them again here. Instead, I’ll focus on giving the reasons for my decision.

Our investigator didn’t uphold the complaint. In summary, he wasn’t persuaded that M was a fraudulent company or operating a scam. So he didn’t think Starling had acted in error by processing the payment without intervention. And he felt that Starling had been fair and reasonable with regards to not pursuing a chargeback which it said was raised outside of the relevant time limits.

Miss E was unhappy with this. So I contacted her informally to let her know my provisional findings. I explained that I didn’t think, even if it had intervened, that Starling could reasonably have prevented her from proceeding with the payment; that the payment isn’t covered by the Contingent Reimbursement Model Code (“CRM Code”); and that the chargeback was raised outside of the required time limits set by the card scheme.

Ultimately, Miss E remained unhappy with this. In essence, she maintains that M was acting fraudulently. She explained that she was outside of the relevant chargeback time limits due to being misled by M. And she feels that Starling should have done more to support her once it became clear there was a problem, such as advocating on her behalf, escalating the matter internally or offering a goodwill gesture. She asked 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.

While I know this will come as a disappointment to Miss E, I’m not upholding her complaint – I’ll explain why.

Starling didn’t intervene with the payment at the time it was made. I’ve thought carefully about what would have happened if it had. Based on the testimony provided, I think it more likely than not that Miss E would have proceeded to make the payment. I say this as there was nothing in the public domain at the time to suggest any fundamental issues with M. Miss E had also clearly conducted research on the service she was purchasing and was aware of the pricing of competitors. It wasn’t for Starling to carry out any research on Miss E’s behalf – it would have been expected to, at most, ask questions to ensure she was confident with the payment she was making. So, with proportionate questioning, I think it’s likely that Miss E would have continued.

I consider it of particular relevance to note that, having made the payment, Miss E had treatment for a period of around two years, which supports the fact that Starling would have been unlikely to have identified an issue through proportionate enquiries *at the time of the*

payment. Though Miss E raised that she was expecting work to have been completed within 12 months, this isn't relevant to what Starling knew, or could reasonably have known, at the time of the payment. Starling wouldn't be expected to revisit the payment after the event. And it wasn't made aware that there was an issue until 2025.

As previously set out to Miss E, the payment isn't covered by the CRM Code as it was a card payment. The Code also excludes private civil disputes, which is a key point of contention for Miss E in this case, with much of the evidence she's provided relating to her belief that M was operating a scam. But I don't think it would be helpful to delve into this further as, regardless of whether it was or wasn't a scam, the payment isn't covered.

Starling let Miss E know that it wasn't able to raise a chargeback for the payment. It wasn't made aware of an issue with the payment until around three years after it was made so the timeframe in which the claim would need to be raised had passed. While I appreciate Miss E's comments around why this was, it remains that the chargeback was out of timeframes as set out by the scheme operator. I'm satisfied that Starling didn't act in error by not pursuing the chargeback.

I note that Miss E, in her latest communication with this Service, raised concerns around whether M was properly registered or regulated in the UK. This point has no impact on whether the payment falls under the CRM Code, in this particular case, or whether a chargeback can be raised. So this is only relevant in terms of whether Starling could have been expected to, with proportionate intervention, prevent Miss E from proceeding with her payment. But I'm satisfied that I've set out, in this decision and previously, why she most likely would have gone ahead with the payment.

I appreciate that Miss E feels that Starling should have done more, once it became aware of an issue with the payment. But I consider that Miss E's expectations of Starling are above and beyond what it's required to do, which are outlined above. I can appreciate her strength of feeling around this matter, as she paid for a service that wasn't completed. But I must emphasise here that my role is to determine whether Starling acted in error, not M. And it would be for Starling, and only Starling, to decide if it would like to offer a payment as a goodwill gesture. For the reasons given, I don't think Starling is required to do anything further here.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 9 February 2026.

Melanie van der Waals
Ombudsman