

The complaint

Miss G complains that Starling Bank Limited did not reimburse the funds she lost to a scam.

What happened

Miss G saw an advert on social media for a part time job where she could work from home. She reached out to the company and was then contacted on a messaging app about the job. She was told the job would involve submitting logistic details on a platform where she would earn commissions based on completed orders. She had to complete a set number of orders to withdraw her commission. However, some orders were large and required a 'recharging' of her work account to process, and this meant that Miss G had to deposit funds to process the orders.

She completed one set successfully and rolled over her commission into completing a second set. However, the orders cost more and more money until she could no longer afford it, and it was at that point she realised she had been the victim of a scam. She made the following payments to the scam:

Date	Amount	Type of Payment
09/08/2024	£27	Faster Payment
10/08/2024	£10	Card
10/08/2024	£115	Card
11/08/2024	£120	Card
11/08/2024	£280	Card
12/08/2024	£700	Faster Payment
12/08/2024	£190	Faster Payment
13/08/2024	£264	Faster Payment
14/08/2024	£277	Card
14/08/2024	£136	Card
16/08/2024	£104	Card

Miss G raised a claim with Starling via a representative and they replied on 18 November 2024 explaining they had not been provided with enough evidence to review the transactions under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code.

Miss G referred the complaint to our service and our Investigator looked into it. They explained that the card payments were going to another payment service provider which Miss G had opened an account with, so the risk on these payments were low. And as the values of the payments were not particularly high, they did not think Starling needed to intervene on them. They said the faster payments are covered by the CRM Code, but there

was a valid exception to reimbursement, meaning they felt it was reasonable that Starling did not refund Miss G.

Miss G's representative did not accept the findings and highlighted that another bank Miss G used to fund the scam had made a full offer to settle the complaint, so felt this case should be as well. They also highlighted reasons why they felt it was reasonable for Miss G to believe the job offer was legitimate, so they felt the transactions should be reimbursed under the CRM Code.

As an informal 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.

The starting point under the relevant regulations and the terms of Miss G's account is that she is responsible for transactions she's carried out herself. However, Starling are signatories to the CRM Code and, taking into account regulators' rules and guidance, codes of practice and what I consider to have been good industry practice at the time, should have been on the lookout for unusual and out of character transactions to protect its customers from (among other things) financial harm from fraud.

I've first considered whether Starling should refund Miss G under the provisions of the CRM Code, for the faster payments which are covered under the Code. There are two main exceptions to reimbursement:

- Miss G ignored an 'Effective Warning'
- Miss G made the payments without a reasonable basis for believing that they were for genuine goods or services; and/or the people she was paying were legitimate.

Other exceptions can apply, but they are not relevant in this case.

Do any exceptions to full reimbursement apply?

The values of the transactions were relatively low, meaning Starling was not required to provide an effective warning on any of the payments. This therefore means it was not possible for Miss G to ignore an effective warning.

I've gone on to consider whether Miss G made the payments without a reasonable basis for believing they were for a legitimate purpose. In doing so I have considered the circumstances of the scam as a whole.

I appreciate Miss G's representatives have made some arguments about freelance and gig economy roles and how they are generally less formal with their employment procedures. But even considering this, I still think there were significant red flags available that Miss G could reasonably have had cause for concern over.

She told us the job advertisement said she would earn between £50 and £200 per day, which the upper end of is significant considering there were no pre-requisites for the role. In addition to this, while some fields may have lax procedures around hiring, to be immediately employed with no application, required skills or checks at all is unusual. This, combined with the fact Miss G believed she needed to fund her own employment with cryptocurrency was a significant red flag. Despite what her representative has said, I do think it is highly unusual to have to fund your employment in this way before receiving any pay.

In addition to this, Miss G was asked to send the transfers to a number of different individuals and businesses that appeared to be unrelated to the employment and again I think this could have been seen as highly unusual. On balance, considering how Miss G found the job offer, the hiring process and the unusual process of having to pay different

individuals before receiving commission all tie together to mean I do not think Miss G had a reasonable basis to believe the job was legitimate.

Because of this, I think there is an exception to full reimbursement. And from what I have seen, I think Starling met their obligations under the code. These obligations include providing a warning where there is an indication a consumer may be at risk of financial harm. However, as set out above, I do not think the affected payments were particularly high value or unusual when compared to Miss G's genuine account activity. So, I don't think Starling were required to provide a warning in the circumstances and they therefore do not need to reimburse Miss G.

The card payments

Miss G also made some card payments to a third-party account in her name. These are not covered by the CRM Code, but Starling is still required to be on the lookout for suspicious or unusual transactions that may indicate financial harm. But again, looking at the overall value and pattern of the payments, I just don't think they were high value or unusual enough to warrant an intervention from Starling prior to them being processed.

I understand that this will be very disappointing for Miss G, and I recognise that she has been the victim of a cruel and manipulative scam. But I do not consider that it would be fair to hold Starling responsible for her loss, so I won't be asking it to refund any of that loss to her.

My final decision

I do not uphold Miss G's complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 2 January 2026.

Rebecca Norris
Ombudsman