

## **The complaint**

Mr O complains Starling Bank Limited won't reimburse money he lost when he fell victim to a safe account scam.

## **What happened**

As all parties are aware of the full complaint details, and they are not in dispute, I will only include a summary of what has taken place. My decision will focus on what I consider to be the areas of contention. If there's something I've not mentioned, it isn't because it has been ignored or overlooked. I have reviewed the entire file prior to issuing this decision. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. This simply reflects the informal nature of our service as a free alternative to the courts.

Mr O paid almost £8,000, via a money remittance service, to a scammer in June 2024 pretending to be from his bank. Mr O realised he had been scammed after the call ended and he spoke with a friend and a family member. He then instantly contacted Starling Bank to inform it of the scam.

In response to Mr O raising the scam, Starling Bank offered him a partial reimbursement of £3,943.80 (with interest applied and separately deposited into his account). As part of its review of Mr O's complaint it then offered him £75 for the service provided, specifically for service and communication failings. Mr O was unhappy with this as he considered the losses stemmed from Starling Bank's security failings. He was also not happy with the service it provided. So, he referred the complaint to our service to investigate.

The Investigator that issued the final view to both parties didn't uphold the complaint. He found that the partial reimbursement to be fair because he believed it was only from payment 3 that a pattern of fraud or a scam had emerged. He also considered the £75 fair for the service Mr O was provided.

Mr O asked for the matter to be referred for a decision as he believes Starling Bank holds the responsibility of being the expert and professional in the relationship.

## **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 agree with the Investigator's conclusions for the following reasons:

- It isn't in dispute that Mr O authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Starling Bank is aware, taking longstanding regulatory expectations and requirements into account, and what was considered to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

- I have kept in mind the payments were to a money remittance provider, but that doesn't mean payments should automatically be treated as suspicious, particularly when there are no other concerning factors about them.
- The type of payments that money remittance services are generally used for tend to be different to other payment service providers like banks and building societies. I don't dispute these were reasonably large payments - however, it is not unusual for individuals to send larger payments to such services. I've kept this in mind whilst considering the payments Mr O made.
- I don't think the size of the initial two payments should have been seen as particularly suspicious, in isolation of any other red flags, that ought to have caused Starling Bank concern about them. I've also not seen any evidence that Starling Bank should have been aware that Mr O was sending his funds to the money remittance service because of a scam.
- Starling Bank, from its own review, has decided it could have done more to prevent Mr O's losses from payments three and four. As it has already agreed to do so it is unnecessary for me to comment on what type of intervention should have occurred here – as ultimately, Starling Bank has accepted a failing occurred and made the decision to refund Mr O these losses. This is reasonable of it as a pattern of a scam or fraud occurring was starting to become apparent.
- I do not doubt how challenging a time this was for Mr O as he has lost a substantial amount of money. So, I can appreciate why he was contacting Starling Bank so often and seeking progress updates. However, I have not seen any evidence which suggests Starling Bank was not taking the expected actions having been informed of the scam. Although Mr O chose to proactively contact Starling Bank, I've not seen any evidence to show this is why it reached the outcomes it did at the speed in which it did. By 5 July Starling Bank had decided to refund the last two payments – which, although a short while after the scam had been flagged to it, is not an unreasonable amount of time to have decided such an action.
- Similarly, Mr O's complaint was reviewed within a reasonable amount of time – awarding him £75 for the service and communication from Starling Bank. Although a challenging time for Mr O, I believe this is mostly attributed to the scam and not because of Starling Bank's accepted service failings. I think the award it made for any delays in communicating with Mr O is fair for the additional distress and inconvenience this likely caused. I've seen no evidence that Starling Bank's service failings caused any wider consequences for Mr O's claim. In this instance, alongside this award, I think the fact it backdated the interest was fair.
- I'm similarly not persuaded there were any prospects of Starling Bank successfully recovering the funds. Mr O paid a legitimate merchant who no doubt provided the service it was expecting to have been tasked with completing. There are only certain situations where a chargeback would be successful. In this instance, the fact that the funds went to what turned out to be a scammer doesn't give rise to a valid chargeback claim against the merchant Mr O paid - even though it's not in dispute Mr O only used the money remittance provider because of the scam.
- Although Starling Bank has signed up to the Contingent Reimbursement Model Code, the payments Mr O made from his account aren't covered by the Code because of the payment method he used. I cannot fairly and reasonably say that Starling Bank should have to refund payments under the Code when it doesn't apply here.
- For completeness, I'll add I've seen no evidence that Starling Bank was complicit in the scam. There are devices and technology which allow scammers to spoof numbers, when completing calls and sending phishing messages, which are not linked with a bank's security.

I'm sorry to hear Mr O has lost money and the effect this cruel scam has had on him. But, for the reasons I've explained, I don't think Starling Bank has to refund back all of his losses.

### **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 O to accept or reject my decision before 27 October 2025.

Lawrence Keath  
**Ombudsman**