

The complaint

Mr W complains Starling Bank Limited declined his account application. And by doing so, has failed to reasonably consider his circumstances.

What happened

Mr W held an account with Starling which was closed in April 2024 due to it being inactive and in arrears.

Mr W decided he wanted an account with Starling so on 2 December 2024 Mr W contacted Starling via email to request a new account. Starling completed further checks and said they wouldn't be able to offer Mr W an account as he didn't meet their criteria for holding an account with them.

Mr W complained to Starling. But Starling said it couldn't look into things because Mr W was using an email address that wasn't associated with the one they had registered for him. There were several emails back and forth between Mr W and Starling. Mr W told Starling he felt the bank had discriminated against him because of his disabilities by not offering him an account and answering his emails.

Mr W wants Starling to provide a proper explanation why it doesn't want him as a customer. He pointed out that he had an account with Starling previously, so doesn't understand why he can't open a new account – especially given his health issues.

In response, Starling apologised and explained that it had decided it wasn't able to offer Mr W an account. And that it wasn't obliged to provide Mr W the reasons behind its decision. Starling accepted it should have responded to Mr W sooner than it did so its service fell below the standard Mr W could have expected. To put things right Starling offered Mr W £150 compensation.

Mr W wasn't happy with this response and brought his complaint to our service. He said Starling should have at least let him know why it had decided not to offer him an account. He said he wants an account with Starling so that he can take advantage of internet-based services which he finds more suitable for him given his disabilities.

One of our investigator's looked into Mr W's complaint. The investigator said Starling didn't do anything wrong when it rejected Mr W's account application. They also thought Starling's offer of compensation was fair. Mr W disagreed. He says Starling has discriminated against him. He wants £550 compensation for the trouble and upset he has suffered.

As no agreement could be reached the matter came 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.

It's clear based on what Mr W has told us, that he is keen to have an account opened with Starling. So, I can understand he was disappointed and upset when Starling rejected his application for a new account. But just as it is for a customer to decide who they bank with, a bank like Starling is entitled to decide who it offers banking services to.

Banks will generally set their own policies and processes for dealing with new applications, and part of that will form their risk criteria, with regard to any legal and regulatory obligations in place. It is not in my remit to say what policies or risk appetite Starling should have in place. Instead, my role is to consider what's fair and reasonable in the individual circumstances of this complaint. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to open an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Starling has explained that it is a normal part of its process to conduct further checks after an account application, which includes looking at information recorded at credit and fraud prevention agencies. And information it held about previous accounts that a customer may have had with them. It makes this clear in its terms and conditions.

I understand of course why Mr W wants to know the exact reasons behind Starling's decision, other than what he's been previously told. And I can see that Mr W has asked Starling to explain itself on several occasions. But Starling is under no obligation to tell Mr W the reasons behind its decision, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr W this information. And it wouldn't be appropriate for me to require it to do so.

Mr W believes Starling has discriminated against him on the basis of his disabilities. Mr W has come to this conclusion because Starling didn't open an account for him despite him telling the bank about his disability and health conditions.

While I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr W has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Starling would have treated another customer with similar circumstances any differently than Mr W. After looking at all the evidence, I've not seen anything to suggest Starling treated Mr W unfairly when it decided not to offer him a new account.

I haven't seen anything to suggest that Starling treated Mr W's application differently. Following completion of checks Starling decided it couldn't offer Mr W an account. Starling is entitled to do this.

Starling has provided some further details of its decision-making process, I'm sorry but I can't share this information with Mr W due to its commercial sensitivity. But I've seen nothing to suggest Starling's decision around declining Mr W's request for a new account was unfair. On balance when considering Starling's wider regulatory responsibilities and all the information available to me, I find Starling had a legitimate basis for declining to offer Mr W an account. So, I don't find Starling treated Mr W unfairly.

Finally, Starling has accepted it didn't provide Mr W with the service he could have expected when he emailed them about what was happening with his application and complaint. Mr W sent several emails over a number of days because Starling didn't respond to him, which Mr W found frustrating and upsetting. Having looked at the emails between Mr W and Starling I agree that Starling should have acknowledged the fact that Mr W couldn't remember the details of his old email address much sooner than it did. So, I'm satisfied that Mr W was caused trouble and upset. And that Starling haven't treated Mr W fairly.

To put things right Starling has offered Mr W £150 compensation. Mr W doesn't think this enough. I am mindful of Mr W's comments regarding the impact Starling poor communication had on him. It's rarely straightforward to decide what represents an appropriate level of compensation for non-financial loss given its inherently subjective nature. Mr W, and no-one else, experienced these problems. I assure him I'm mindful of that.

I know Mr W feels the settlement Starling has now agreed to overlooks the gravity of their actions and the consequences. But as our investigator has explained we are an informal dispute resolution service, and our awards may differ to those made in any litigation. Taking everything into account and in light of our general level of awards I'm satisfied the compensation offered by Starling is fair and reasonable in all the circumstances of this complaint. So, I won't be asking Starling to increase this amount. Given the various factors here, I don't think the impact on Mr W warrants an increase in the compensation offered. I think £150 is fair and reasonable. Starling has acknowledged its shortcomings, and I won't be asking it to increase the compensation amount.

Given how strongly Mr W feels about what happened he may want to pursue the matter further through other routes. But my decision brings to an end what we – in trying to resolve his dispute with Starling informally – can do for him. I'm sorry if this disappoints Mr W.

My final decision

My final decision is that Starling Bank Limited has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Starling Bank Limited should pay Mr W £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before.

Sharon Kerrison
Ombudsman