

The complaint

Miss M is unhappy that Starling Bank Limited (“Starling”) failed to help her recover funds she paid to a betting website. She is also unhappy that Starling failed to take the issue seriously and failed to carry out a proper investigation into what happened.

What happened

The background to this complaint is well-known to Miss M and Starling, so I will only briefly summarise this.

In May 2025, Miss M deposited £500 to a betting website from her Starling bank account, using her debit card details. She says the website then placed several unauthorised bets using this money, possibly because of a glitch.

Miss M contacted the website but didn’t receive a refund. So, she asked Starling for help in recovering the money. Starling though didn’t think there was any mechanism available to them to do this. They told Miss M they couldn’t raise a chargeback as the card scheme operator set out in its chargeback guide that a chargeback wasn’t possible if the money was deposited with a gambling merchant, which had happened here.

Miss M referred the matter to our service. One of our investigators looked at what happened but didn’t think Starling needed to do anything. She felt that Starling’s interpretation of the chargeback rules was correct.

Miss M didn’t agree with our investigator’s view and so her complaint has been passed to me for a 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.

I should make it clear that this decision isn’t about the betting website that Miss M used, which isn’t a financial service provider and so doesn’t fall within my remit. My decision concerns whether Starling treated Miss M fairly in how it dealt with her request for the money she paid to the website to be refunded.

In certain circumstances, when a cardholder has a dispute about a transaction, as Miss M does here, Starling can attempt to go through a chargeback process.

Starling is required to consider whether there is a reasonable prospect of success when it is considering whether to go through the chargeback process or not. If it does go through the process, then it must do so properly. The supplier (here, the betting website) would then receive that chargeback request and may agree to refund the payment or may contest the chargeback. If it contests, then Starling should consider this and then if it still feels the chargeback is warranted then it can take the chargeback further and ultimately to the scheme provider (not Starling) who will then make an independent determination on the matter. So, Starling isn't solely responsible for the decision whether to refund or not when going through the chargeback process. And it can decide not to proceed at any stage if it doesn't think there is a reasonable prospect of success.

When Miss M contacted Starling, it said it couldn't raise a chargeback as the scheme operator's chargeback guide states a chargeback is only available for a transaction such as the one Miss M made where the 'purchased value or assets' failed to appear in the account agreed to between Miss M and the betting website. Starling said because the funds Miss M spent were credited to the betting website, they had no grounds to raise a chargeback.

Starling had to consider the most applicable chargeback reason code that applied to the dispute, before deciding whether it should then raise a chargeback. I've noted though, under the section within the scheme operator's chargeback guide: 'Cardholder Dispute Chargeback', which sets out what information banks should consider, it says the following:

'Gambling and Investment Chargebacks

For transactions in which value or assets are purchased for gambling, investment or similar purposes: This chargeback right is only available for a transaction in which the purchased value or assets failed to appear in the account agreed to between the cardholder and the merchant'.

There seems no dispute that Miss M transferred the money in question to the betting website and that they accepted this. So, I think Starling were correct to say that no chargeback rights were applicable to the dispute Miss M had raised. I'm satisfied therefore that Starling acted fairly by concluding the dispute wasn't covered under the chargeback scheme and there was no reasonable prospect of success.

So, considering the above I don't think Miss M has lost out due to Starling's approach to chargeback here. And, as Miss M didn't use a credit card to make the payment to the betting website, she isn't able to make a claim to Starling under Section 75 of the Consumer Credit Act 1974 for a breach of contract or a misrepresentation by the betting website.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 20 February 2026.

Daniel Picken
Ombudsman