

The complaint

Mr J complains that Starling Bank Limited will not reimburse funds he lost to a scam.

What happened

In August 2024 Mr J made a payment for £1,090 when he fell victim to a safe account scam. He reported the matter to Starling, but it did not reimburse the funds.

Our Investigator did not uphold the complaint. She did not think there were sufficient grounds for Starling to think Mr J was at risk of financial harm from fraud when he made the payment and concluded that it was not at fault for processing it.

Mr J did not accept the Investigator's view and asked for an ombudsman to decide, as such 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.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Starling should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

In light of Mr J's typical spending, I don't find the payment would have appeared unusual or uncharacteristic and triggered Starling's fraud prevention systems. When considered in the context of the vast number of payment instructions Starling receives, I don't find the payment of significant value to have raised suspicion and to warrant intervention.

As the payment was made using Mr J's debit card the only method of recovery available is through a chargeback claim. However there are rules that are set by the chargeback scheme providers for when a claim can be made. Unfortunately, the scheme does not apply to scams, as such I'm not persuaded there were any prospects of Starling successfully recovering the funds.

I have thought carefully about all that's happened. I appreciate that Mr J has been the victim of a cruel scam and is out of pocket as a result of it, but I cannot fairly or reasonably hold Starling liable for the loss.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 March 2026.

Oluwatobi Balogun
Ombudsman