

The complaint

Mr C says Starling Bank Limited (“Starling”) wrongly raised a fraud claim on his behalf. Mr C is also unhappy with the service Starling provided to him.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In summary Mr C says on 11 August 2025 he made a payment of £200 from his account to a friend’s nephew, who I will refer to as D. Following this Mr C contacted Starling via its in-app chat and told them he believed he’d been the victim of fraud and asked Starling to try and get his money back.

Starling said it carried out Mr C’s payment instruction and said it would do its best to try and recover the funds. Starling then contacted the sending bank and raised an Authorised Push Payment (APP) fraud claim on Mr C’s behalf.

Following this Mr C tried to contact Starling on the phone to tell them that he made a mistake and wanted to withdraw his fraud claim. Mr C says he made around nine phone calls trying to sort things out.

Starling tried to return Mr C’s calls to discuss his claim but couldn’t get hold of him until 18 August 2024. During the call Starling asked Mr C questions about the payment to satisfy themselves that Mr C hadn’t fallen victim to a scam. Mr C told them that the payment was to pay for education costs of D and he hadn’t fallen victim to a scam. Mr C said it had been a miscommunication between him and Starling; they had asked him loaded questions, and he had never agreed for them to recall the payment.

In response Starling said it was satisfied with Mr C’s explanation and cancelled the recall request. Starling said its terms and conditions are clear in that it will carry out a payment instruction as requested by the customer. Starling said when Mr C had contacted them on 11 August 2025, he had told them that he believed he had fallen victim to a scam. And he gave his consent for them to raise a claim with the receiving bank. Based on the information Mr C provided, Starling had no option other than to raise this claim.

When Mr C contacted Starling again to retract the claim, this information was passed on to the team concerned on each occasion. Starling said:

- When a claim such as this is raised it cannot always be simply retracted. That’s because Starling has a duty of care to their customers and needs to make sure, they fully understand the reason a customer no longer holds any concerns about the payment, before retracting a claim. This is because scammers will often persuade or threaten victims into retracting claims, and this would limit Mr C’s ability to raise another claim about the payment in the future, should he change your mind.
- Following Mr C’s explanation to its Customer Service team on 18 August 2025,

however, the team investigating Mr C's claim had sufficient information to understand his position and retract the claim.

Mr C remained unhappy and brought his complaint to our service, where one of our investigator's considered the complaint and didn't feel it would be fair to uphold it.

Mr C didn't agree. He said he hadn't given Starling permission to raise a fraud claim, and D's account had been blocked which had caused friction with his family.

As no agreement could be reached the complaint has been passed to me to consider.

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.

Mr C says he didn't tell Starling he'd fallen victim to fraud and didn't give his consent for Starling to recall the money he'd sent to D. But I don't agree. I say this because I've looked at the in-app chat messages between Mr C and Starling. And these paint a rather different picture to what Mr C has told us.

On 11 August 2025 at 12:42 Mr C told Starling: 'The person who asked me to make this payment is not responding to my attempts to contact them'. The advisor said to Mr C "I am sorry to hear that..., do you think you have been scammed?' Mr C responded to the adviser and said, 'Beginning to look like it can you recover it, stop it or red flag it.'

The adviser then explained to Mr C that they could raise a case for him, and it would take around twenty minutes to do so. The adviser informed Mr C that to raise a case they would need to share Mr C's details with the receiving bank, and they asked for Mr C's consent to do this. The adviser said, 'Do you agree to us contacting the other bank to raise a claim?' and Mr C replied 'Yes'.

So, based on these messages, I'm satisfied that Mr C contacted Starling to raise a fraud claim and Mr C gave his consent to Starling that instigated their fraud investigation relating to Mr C's payment to D. I am also satisfied that there was no miscommunication. And the fraud claim wasn't raised in error by Starling.

Another part of Mr C's complaint is that he says he had to make around nine phone calls to get Starling to cancel his fraud claim and sort things out with the payment. Mr C has explained that Starling's actions and time taken to cancel the claim led to friction within his family as D's account as blocked.

I'm sorry to hear Mr C had some difficulties with family members and I hope relations with his family have returned to normal. But based on the evidence, I don't think for Starling treated Mr C unfairly when it raised a fraud claim for Mr C and then took time to investigate what he said when he contacted them to retract the claim. In fact, I think it was quite sensible. Banks owe a duty of care to safeguard their customers' accounts, and our service expects them to take reasonable precautions to prevent unauthorised transactions, which is what Starling did here when it asked Mr C to provide more information about the money he'd sent to D.

Whilst I haven't listed all of Mr C's submission in my decision, I have given them all due consideration. But I must balance that against Starling's security obligations. Whilst I appreciate Mr C wanted to do everything he could to help unblock D's account I can't

reasonably say Starling treated Mr C unfairly by taking the time it did to complete its fraud investigation.

In summary, after considering all the evidence I'm satisfied Mr C raised a fraud claim and Starling merely followed its processes when dealing with an APP claim. It follows I don't uphold Mr C's complaint as Starling haven't made an error or treated Mr C unfairly. So, I won't be asking Starling to do anything more to resolve Mr C's complaint.

My final decision

Fr the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 February 2026.

Sharon Kerrison
Ombudsman