

The complaint

Miss M says Starling Bank Limited (“Starling”) refuses to refund her for unauthorised transactions on her account.

What happened

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

In short, Miss M says she noticed three unauthorised transactions on her account in August 2025 and complained to Starling. She says she thinks this might have occurred because she lost her phone 7-8 weeks prior to the disputed transactions occurring. Miss M says she didn’t make these payments and so they should be refunded by Starling.

Starling says it considered Miss M’s complaint but hasn’t been able to find any compromise of her account, so it hasn’t refunded these transactions. Unhappy with their response, Miss M brought her complaint to our Service.

Our investigator considered this complaint but also felt there was no evidence the transactions were unauthorised. So, she didn’t feel it would be fair to ask Starling to refund Miss M the transactions in dispute. Miss M wasn’t happy, so 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.

I’d like to reassure both parties that although I’ve only given an overview of what happened, I’ve read and considered everything we’ve been provided in its entirety.

When considering what’s fair and reasonable, I’m required to take into account relevant law and regulations; the regulator’s rules, guidance and standards; the codes of practice; and, where relevant, what I consider good industry practice at the relevant time.

Where there’s a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.

Generally speaking, Starling is required to refund any unauthorised payments made from Miss M’s account. Those rules are set out in the Payment Service Regulations 2017. Miss M has said she didn’t carry out the transactions in dispute. So, I have to give my view on whether I think Miss M did authorise the transactions or not.

Miss M’s position is that she didn’t authorise these payments, and she says this could’ve happened because of her lost phone being compromised - which wasn’t protected with a

passcode, Touch ID or Face ID. The payments in dispute were all made using ApplePay to a merchant that Miss M had used in previous months. The evidence supplied by Starling shows that Miss M changed the device linked to her account in May 2025 – which matches the time she says her phone was lost. However, the lost device is last recorded to have been used on her account on 25 May 2025. The only device which was registered at the time of the disputed transactions was an iPhone 13 Pro Max, which she confirmed to Starling that she still had in her possession after the transactions occurred.

We asked Miss M about a possible compromise to her Apple account, like an email saying her password had been changed, or any suspicious messages. She told us she gets a lot of spam messages, but nothing that related to her Apple account or her ApplePay. In order to use ApplePay to make payments a payment card needs to be added to the account first to set it up. And this involves a one-time passcode being sent to the registered phone number for that account before ApplePay is useable. So, in this case, for Miss M's Starling card to be added to a new device, or a new ApplePay account, a one-time passcode would to be sent the phone number Starling had on file and then used to set up the payment token. But as I've said above, there is no evidence that a new device was used here, and the lost device Miss M told us about hadn't been used since May 2025.

So, the evidence suggests Miss M's current device was used to make the payments. Miss M says she used to use Face ID, but as the camera on her phone no longer worked, she uses her iCloud password to complete ApplePay payments. So, for someone else to make these payments they would've had to have access to her device and have known her iCloud password. Miss M says she has let her friends use her device before, however, this still doesn't explain how they would've known her iCloud password to use ApplePay. And in the event that Miss M shared this with anyone else, she would effectively be giving them consent to use her ApplePay account. So, in any event I think Miss M should be held liable.

In addition to the above, I have also considered the nature of the payments made and the account activity. The payments are not typical of fraud. Had someone else been able to compromise Miss M's ApplePay, I would've expected to see large payments in quick succession in order to extract as much money as possible, before being detected. I've also seen that on two occasions the account balance was at nil prior to the disputed transactions and Miss M topped up the account balance in the exact amount that was then used for the ApplePay payments. Miss M says this was a coincidence, but this suggests Miss M was funding the payments in dispute from her other accounts.

Having considered the evidence, testimonies, and relevant legislation (The PSR's) I am not upholding this complaint. I have been unable to identify a compromise of Miss M's ApplePay account and on balance, I think it is more likely than not that the disputed transactions were authorised.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 28 November 2025.

Sienna Mahboobani
Ombudsman