

The complaint

Mr W complains that Starling Bank Limited (Starling) closed his account after he says he fell victim to a sophisticated scam.

My decision solely focuses on the closure of Mr W's account, and I make no finding with relation to the scam Mr W says he fell victim to.

What happened

Mr W has provided a great deal of detail surrounding the events that led up to this complaint and I'm aware I have summarised this complaint in far less detail than Mr W. I'd like to reassure Mr W that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I want to stress that no discourtesy is intended by me in taking this approach. I do stress however that I've considered everything that Mr W and Starling have said before reaching my decision.

Mr W has said that during 2023 and 2024 he fell victim to a sophisticated scam during which he felt that he was entering into a legitimate business venture. Mr W has explained that at this time he was going through a period of emotional and financial vulnerability.

Mr W held an account with Starling which he's said he was using for various transactions linked to the setup and operation of the business venture. Following an internal review, Starling wrote to Mr W on 13 March 2025 explaining that it had decided to close his account with effect from 12 April 2025. Mr W has said that following Starling's decision to close the account it has refused to co-operate with the police.

Mr W complained to Starling who responded in its final response letter (FRL) dated 28 April 2025 where it explained that it was unable to provide any further information on what led to this decision to close his account being made. It explained that it had the right to close accounts immediately in certain circumstances as set out in its terms and conditions of the account and that the date of closure had been postponed due to its investigation. The account was actually closed on 7 May 2025.

Mr W remained unhappy so referred his complaint to our service. One of our investigator's looked into it, and they recommended it wasn't upheld. In summary, they said Starling was able to close the account in the way it did and was satisfied it'd done so in line with the terms and conditions of the account; and that Starling weren't required to share a reason for doing so. They did however confirm that as this was a personal account that had been used for business purposes, which Mr W had told us it was, Starling would have been entitled to close the account immediately rather than give the 30-day notice that it had in any event.

Mr W disagreed. He's said that the business-related transactions on his personal account had taken place whilst he was unknowingly involved in what he says was a scam and that many of these payments were made under duress in high stress situations. Mr W has also said that Starling's decision to not provide an explanation for the account closure has added

to his existing trauma and he has provided further detail regarding his health and personal circumstances for the time period relevant to this complaint.

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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Firstly, I would like to acknowledge the further detail that Mr W has provided regarding his health and personal circumstances. I'm very sorry to hear of how Mr W has been affected by the entirety of events that led to this complaint, and I want to stress that I have considered this when reaching my decision. I haven't, because of their sensitivity however, repeated these details here. I mean no discourtesy in taking this approach.

Starling has strict legal and regulatory requirements it must meet whilst it provides accounts for its customers. Part of these require Starling to monitor its customers' accounts, and this sometimes means it may carry out a review, the result of which might mean an account is closed.

Regarding the decision to close the account, Starling has provided details of its decision making process, that I am accepting in confidence - which is a power afforded to me under DISP 3.5.9R(2) of the Dispute Resolution Rules. I'm sorry but I can't share this information with Mr W due to its commercial sensitivity. A description of this information is that it relates to account use and Starling's procedures. On balance when considering Starling's wider regulatory responsibilities and all the information available to me, I find it had a legitimate basis for closing Mr W's account and not telling Mr W why. So, I don't find Starling treated Mr W unfairly by deciding to close his account.

Before Starling closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Starling and Mr W had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately.

Starling provided Mr W with 30 days' notice of closure on 13 March 2025 although, as explained previously, the account was not actually shut until 7 May 2025 – 55 days after the notification of closure was sent. However, having considered the nature of all the information that I have received from Starling I don't find that it needed to provide notice to Mr W under the terms and conditions of the account and would have been entitled to close the account immediately. As noted by the investigator, the transactions on Mr W's account that were for business purposes alone would have given Starling the right to close the account immediately under its terms and conditions.

Whilst I can appreciate that Mr W has said he was unknowingly involved in what he says was a scam at the time he was using his personal account for business related transactions; this doesn't mean that Starling's terms and conditions – including its right to close the account - wouldn't have applied.

Starling is under no obligation to tell Mr W the reasons it no longer wants him as a customer 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 do so.

I've considered what Mr W has said with regards to Starling refusing to co-operate with the police, but I haven't seen any evidence that this has happened.

I'm sorry to hear that Starling's decision to close Mr W's account without providing a reason has added to his existing trauma and made him feel like an accomplice rather than a victim. But, as I don't think Starling has done anything wrong, I see no basis for it to reactivate the account or award any compensation to Mr W for any financial loss, distress, or inconvenience he may have suffered.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 April 2026.

Mark Louth
Ombudsman