

## **The complaint**

Mr D complains Starling Bank Limited recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly.

## **What happened**

I set out a summary below.

Mr D held an account with Starling. In December 2024, it was credited with payments from a third party, through bank transfers. The funds were transferred out of the account shortly afterwards. However, the incoming payments were later reported as being the result of a scam.

Starling restricted the account and requested information to support why Mr D had received the payments and was entitled to the funds. It got a response back to say that he was fully aware of the incoming payments, and that they were tester payments from his cousins in relation to an inheritance payment from his aunt's estate; to check if he could receive a transfer from the USA. Mr D said he hadn't been hacked or given away his account information and complained about Starling's blocks.

Starling reviewed the information, including the fraud reports but didn't find Mr D's information credible. It issued a response, explaining why the account had been restricted and confirmed his account would be closed. At this time, Starling also filed a misuse of facility marker at Cifas, as it believed Mr D had been complicit in receiving fraudulent funds.

Later, Mr D found out about the marker and complained that he'd not done anything fraudulent. He said that his identity was stolen following the theft of his mobile phone and wallet. He believed a third party had used his information, including an email address to commit the fraud on his Starling account. He said that he needed the marker removing as he was unable to open a regular account.

Starling reviewed the matter but didn't think it had acted inappropriately, both with the marker and account closure. Unhappy, Mr D contacted us to challenge the decision. He said the fraud marker was affecting him financially and personally. One of our investigators gathered further information. He outlined to her what he'd told Starling about his details being stolen and used on the "dark web". Mr D also provided screen shots showing he'd had his email address compromised and had experienced data breaches.

The investigator thought about this, and the other information she had, but didn't find Mr D's testimony persuasive in relation to him being an innocent party, noting there were some differences in what he'd said. She also thought it was highly unusual that he'd have the same thing happen, at the same time on an account he held with another bank, where they'd been alerted to similar fraud reports. Thinking about this and the other available evidence, the investigator was satisfied Starling had met the bar for loading the fraud marker and there wasn't a basis for removing it. She didn't find any error in closing the account in these circumstances either.

Mr D disagreed and the case was put forward for a decision. He submitted he couldn't be left in this position – it wasn't fair.

### **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.

The requirements for loading a marker at Cifas are well known by the parties. Our investigator explained this on this case, and on another case I'm deciding. This means I won't repeat the test here, although I have kept it at the forefront of my mind when considering the complaint.

In conclusion, I'm satisfied Starling had enough information to show fraudulent payments entered Mr D's account and he was complicit in the activity. I will deal with the key points.

Starling has provided evidence that it received reports, saying that funds which entered Mr D's account was because of a fraud. Looking at what was reported, I'm satisfied Starling had reasonable evidence of fraud and needed to make enquiries to meet its regulatory obligations to investigate such matters. I'd like to assure Mr D that I have reviewed this evidence impartially and objectively as my role requires.

Mr D doesn't think he's been treated fairly but upon receipt of the fraud reports, Starling has shown us that it contacted him. It asked him to explain why he'd received the payments. So, I'm satisfied he was given a fair opportunity to provide supporting evidence. The response was that the funds had been sent by his cousin, as a tester payment but Starling didn't find this satisfactory when looking at the fraud reports, so it decided to load the marker. It also decided to retain it, after reviewing the case following Mr D's complaint and further information, when he said he'd been the victim of account takeover.

I've looked at the circumstances, and I don't think Starling's actions were unjustified. I think the chances of Mr D having similar fraud reports made against him, around the same time at two different banks is highly unlikely. He refers to the theft of his things as an explanation for what happened but some of the funds were sent to the account, he had with the other bank I've mentioned. I'm not persuaded that a fraudster would do this. And I don't think this assists Mr D's case as it suggests he had oversight of the activity on the account. Also, the email address that's been referred to, was being used by him in 2025 in relation to complaints, after his account was closed and he alleges his things were stolen. I'm afraid, taken as a whole, Mr D's account of what he says happened appears improbable.

I do understand how much this means to him, but I've got to look at the evidence and what weight has been fairly applied to it. The fraud report that Starling received is compelling and whilst Mr D has attempted to explain this was someone else acting without his knowledge, I'm not persuaded. Weighing everything here, the circumstances suggest Mr D has been complicit in receiving fraudulent funds. And I'm satisfied Starling had enough information to support its actions, with the report it received, the account activity, the responses Mr D has given and the lack of credible evidence from him. It follows that I don't find its actions were unfair to record the marker, maintain it and close the account (there's provision for that in the account terms and conditions). All things considered, I won't be requiring any further action to be taken to resolve this complaint.

### **My final decision**

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 D to accept or reject my decision before 7 January 2026.

Sarita Taylor  
**Ombudsman**