

The complaint

Miss J has complained about the way Starling Bank Limited (“Starling”) dealt with a claim for money back in relation to jewellery she paid for using her Starling account.

Having reviewed the complaint in its entirety, I am not upholding Miss J’s complaint so I will not be asking Starling to do any more. I’ll explain why below.

What happened

The facts in this case are not disputed so I’ve only briefly explained this here. In November 2024, Miss J used her Starling account to pay for jewellery from a supplier I’ll refer to as C. The jewellery she ordered had a particular symbol and she paid £25 for the item. When this item wasn’t received she contacted Starling to raise a dispute on 10 December 2025.

Starling refunded the £25 while it considered the dispute. But C responded that it had delivered the jewellery on 12 December 2025, so on 14 December 2025, Starling re-debited the £25. However, this debit showed the name of a different company.

Miss J remained unhappy as the item received on the 12 December 2025, was not what she had ordered, as it had a different symbol which she found distressing. She tried to contact C to return it, but when it didn’t reply, she disposed of it. She explained this all to Starling.

Starling said it was unable to proceed with any further claims for a refund as it would need the items returned, or arranged for a collection by C. Without this, it couldn’t pursue the chargeback any further.

Miss J complained to Starling explaining that it had re-debited the £25 to a different company than the one she’d ordered the jewellery from, and she was worried that it might be fraudulent. She explained that she was vulnerable and only wanted contact via email and not through Starling’s banking application (app). She also requested that it not contact her before 8.00am and after 6.00pm and also not on the weekends unless necessary. She requested a Data Subject Access Request (DSAR).

Starling issued a response explaining that it had progressed her chargeback claims correctly in accordance with the rules but due to its service failings, it offered to refund the £25 charge in dispute. It also accepted that it should have contacted her in the way that she required and to contact via email but said when it had tried to email her, these had been returned. It said the problem that had caused this had now been resolved and it offered her £150 compensation for the distress and inconvenience caused. It said it had forwarded her DSAR request to the correct department.

Unhappy, Miss J decided to refer her complaint to the Financial Ombudsman. She explained that due to her circumstances, the impact that Starlings' service failings had on her was substantial causing extreme distress, panic attacks sleeplessness and left her unable to focus on her creative writing work. She said this meant she missed a critical valentines day book launch and lost just over £6,000 in income. She said that she felt harassed by Starling as it continued to message her outside of the hours she'd requested and via the app and she'd also moved her banking elsewhere due to a lack of trust in Starling – which caused her more inconvenience.

Investigator's outcome

Our investigator reviewed the evidence and didn't recommend her complaint be upheld. They felt that while the service from Starling could have been better, the refund of £25 and the £150 compensation was a fair way to resolve the complaint. They said it dealt with her chargeback claim correctly and the messages it sent via the app were updates only so they didn't think Starling had harassed Miss J. They also didn't think Miss J had evidence that the loss of income was caused solely by the failings of Starling. They said that while Miss J had made a DSAR request, her original complaint and the final response did not deal with a complaint about Starling's response to her DSAR request so if she remained unhappy with this, she'd need to raise a complaint about it in the first instance.

Miss J didn't agree broadly for the following reasons:

- She never accepted Starling's offer of a refund of £25 or the £150 compensation as she wanted to escalate matters to our service.
- She reiterated that she'd attempted to return the jewellery but received no response from C, and only then did she dispose of it.
- That her creative writing was her full-time profession and her primary source of income, and she felt our investigator downplayed the financial and personal impact of how Starling dealt with her.
- She felt that even if the messages from Starling were for information only, they were sent via the app and at times she'd requested it not to - so she felt this amounted to harassment.
- She said she'd experienced autistic shutdown which is a neurological response to overwhelming stress and emotional trauma and left her unable to complete basic tasks.
- She added that her concerns around her DSAR request had been part of her complaint to this service from the outset.

As things weren't resolved the complaint has been assigned to me to decide.

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.

Firstly, I'd like to reassure Miss J, that I have considered all her concerns carefully, but I will only be dealing with the most relevant parts of the complaint in this decision as I'm required to decide matters quickly and with minimum formality. Our rules allow us to do this. So, while

I may not comment on everything Miss J said and all the evidence she's sent in, I have reviewed and considered her submissions.

Chargeback

It may be helpful to explain that under the chargeback process, Starling is able to ask for a refund directly from C under specific circumstances through the Mastercard chargeback scheme. There are various reason codes that can be used. Starling's role is to ensure the facts and evidence submitted are enough for it to request a refund on Miss J's behalf under a specific reason code. And if any defence is submitted by the merchant, it has to consider its defence in accordance with the rules before deciding whether to pursue the matter further.

It's important to note that the chargeback scheme is not a legal right and is a voluntary scheme run by Mastercard and only enables businesses like Starling to ask for a refund under very limited circumstances. Not all disputes are captured by the chargeback rules. Some disputes simply do not entitle a consumer to request a refund through the chargeback scheme. Common reasons that enable financial businesses to request a refund include goods/services not being provided/ being defective/not as described.

Goods not received

Starling initially considered Miss J's claim under the *goods not received* reason code of the scheme rules and attempted the refund request. This was declined by C when it confirmed that the item had been delivered on 12 December 2025. On receipt of this defence there wasn't much Starling could do.

Not as described

It then considered Miss J's request for a refund under the *goods not as described* reason code of the scheme rules. But Miss J confirmed that she'd since disposed of the item as she found the symbol on the jewellery distressing. While I sympathise with Miss J, the Mastercard rules are prescriptive. And the goods have to be available to be returned before a refund can be requested. So, under the rules, I don't think Starling did anything incorrectly for concluding that any further claims would not have a reasonable prospect of success. However genuine Miss J's reasons are for disposing of the item, once it was disposed of, Starling was unable to request a refund when the item couldn't be returned.

I've also thought about Miss J's claims regarding the consumer protection laws she feels the merchant has breached. But under a claim for chargeback, it's the Mastercard rules and codes that are relevant and Starling has to consider her claim in line with those rules.

As explained by our investigator, this is a voluntary scheme run by Mastercard and Starling is unable to apply any discretion or challenge the fairness of the rules. Its role is to simply apply them as they are, and in accordance with the rules, it was unable to apply for any further refunds on behalf of Miss J once she disposed of the item.

So, I don't think it failed to progress her claims correctly or that its conclusion was incorrect. I think in all likelihood, her claims would not have succeeded and any losses in relation to the chargeback aren't attributable to the actions of Starling.

Information not provided

I understand when Starling re-debited the payment of £25, it initially appeared in the name of a different company on Miss J's account, and she was worried that this was a fraudulent entry as Starling hadn't explained why that had happened. I can see in its final response from February 2025, it explained that it had sent the £25 to the correct merchant but it was using two company names. Starling had been unable to evidence how the companies were linked but this has since been corrected on her account in any event. But I don't doubt Miss J's testimony that this caused her to worry that the money had been sent to an incorrect merchant and caused concerns over her account and details.

Communication

I also agree that Starling hasn't respected Miss J's request to be sent messages through the app and at all times. I understand that she felt harassed, and I accept that this was particularly distressing for her given her vulnerable status. I appreciate the honesty with which she has shared her experience with both Starling and this service.

Loss of income

I understand Miss J has said she's had a drop in income since raising her dispute, explaining that the stress caused by the way Starling dealt with her claim left her unable to focus on her work. She's provided significant detail of the impact that the communications and service from Starling had on her.

Miss J has requested a considerable amount of compensation for the loss of income and other than showing that she has earned less, she hasn't provided sufficient corroborative evidence that the loss is directly attributable to solely the actions of Starling. Normally, for me to agree that a financial business needs to compensate a consumer for losses for this type of situation and this amount, I'd need to see persuasive evidence of income that was guaranteed and it was lost mainly due to the failings of the bank. For example, I've seen bookings of jobs that consumers couldn't do directly due to the failing of a bank, or medical evidence from a medical expert that provided an expert opinion as to the causes of consumers being unable to work. I don't think it's unfair to conclude that the evidence provided in this case isn't enough to enable me to make this sort of direction.

Data Subject Access Request DSAR

I understand Miss J is also unhappy with the way Starling responded to her DSAR request, and she's mentioned during our investigators investigation that she's requested information from Starling and isn't happy with its response. But it may be helpful to explain that this service is unable to deal with a complaint that hasn't been raised with the business in the first instance. Starling is entitled to investigate matters first, see if they need to do anything different to resolve the issue, then explain their outcome in its final response. Only then could this service investigate matters. While Miss J made her DSAR request during her original complaint, Starling hadn't yet responded to it, so she hadn't complained about its response when Starling issued its final response to this complaint. As part of this complaint, I can only review the matters that she's already complained about and the matters that Starling answered when it issued its final response.

So, as explained by our investigator, this isn't something we can comment on within this decision. If Miss J remains unhappy with the way her DSAR request was dealt with, she can refer the matter to Starling in the first instance.

Summary

Overall, I don't think Starlings response to Miss J's chargeback claim is incorrect. I also don't think there's sufficient evidence that it caused the loss of income Miss J has requested. I don't doubt the way its communicated with Miss J and the information provided has caused distress and inconvenience, but I agree that the £25 refund and £150 compensation is a fair way to put matters right and I don't require it to do anymore.

My final decision

For the reasons given above, I don't uphold this complaint. If Miss J accepts this decision, then if not done so already, Starling Bank Limited must refund to Miss J the £25 and pay the £150 compensation it's offered. But I don't require it to do any more than that.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 26 February 2026.

Asma Begum

Ombudsman