

## The complaint

Mr N complained because Starling Bank Limited refused to refund him for a cash machine withdrawal where he said the machine didn't give him the money. He also complained about Starling's customer service.

## What happened

On 4 July 2025, Mr N contacted Starling. He said he'd tried to withdraw £60 from another bank's cash machine, but hadn't been able to get the cash. He said he believed someone else had had the same problem with the machine. Mr N also mentioned a bereavement, and Starling asked him some questions about how it could support him. Mr N replied that he didn't need further help about the bereavement but was just having a tough time.

Mr N completed Starling's online dispute form on 8 July, and on 9 July Starling raised a chargeback to the cash machine owner. A chargeback is a process for resolving disputes. Starling gave Mr N a temporary refund for the disputed £60 while it investigated.

The machine owner disputed the chargeback. It sent Starling computer evidence from the machine, showing that the cash had been dispensed and there hadn't been any errors with the machine. Computer evidence also showed the machine had balanced.

So on 23 July, Starling contacted Mr N to say tell him what the machine owner had reported. It said that it was sorry about this, but because the dispute had been rejected, it would have to take back the £60 temporary credit. It said it would do this on 6 August. It asked Mr N to get in touch if he had any financial difficulties, and offered to send him the machine log evidence from the machine owner, if he wanted to see it.

Mr N replied that this was absolutely disappointing. He said he'd had two family bereavements, and was very unwell and not working. He said he had no funds and was in an extremely difficult financial situation. He said what would happen if the money had come out of the cash machine after he'd left? and he said the money definitely never came out when he was there. He asked Starling to help and said he was in an extremely difficult financial situation.

Starling offered to postpone the re-debit of the £60, but said it could only do so until 18 August, as it would need to take back the money. It said it was sorry to hear Mr N was struggling, and it signposted him to some organisations that could help. It also said he could contact Starling's Collections team if he'd prefer to pay it in instalments. It also sent him a copy of the machine log.

Mr N complained. He said he had no money and couldn't afford to go into unauthorised overdraft. Starling postponed re-debiting to 2 September. Mr N confirmed on 5 August that this would be ok.

Starling sent its final response to Mr N's complaint on 11 August. It said that as there wasn't any evidence that the cash wasn't dispensed, Starling couldn't refund him. Mr N had suggested the money might have come out after he'd left, but Starling explained that Mr N

would be responsible for waiting at the machine until the cash came out. It also said that if the cash had been taken back into the machine, the machine would have recorded this as a £60 surplus, but there was no such surplus.

Starling did however uphold Mr N's complaint about customer service. It noted that on 23 July, Mr N had said he wasn't working and had no access to funds. It said the agent had been sympathetic, had offered support, and had postponed the date of the re-debit. But the agent hadn't noted Mr N's financial struggles on his account. It had done this with his bereavements and illness. So Starling paid Mr N £25 compensation for this. It said this was because not having recorded this on Mr N's record could have resulted in his struggles being overlooked in his next conversation with Starling.

Starling re-debited the £60 on 2 September. Mr N's statement shows that at the start of September his account had a zero balance. He paid in £60 on 1 September and withdrew it on 2 September at the same cash machine as he'd used before. This meant that when the £60 was re-debited on 2 September, the re-debit put his account into a £60 negative balance.

Mr N contacted Starling and said the re-debit had put his balance into debit. He said he'd been suffering with ill health and disability and this was stressing him a lot. He asked for the balance to be adjusted back to £0. He said he had no means to pay and was already quite distraught about the whole ordeal about his £60 cash machine dispute.

Starling replied saying it was sorry Mr N had been feeling unwell and hoped he'd be better soon. It referred back to its July correspondence telling Mr N the claim had been unsuccessful. It explained that it had postponed the re-debit, and Mr N had agreed to the later date of 2 September. It said that regrettably it wouldn't re-credit him with funds that he wasn't entitled to following an unsuccessful dispute claim. It said that if Mr N needed any further assistance with regards to paying this back, he could contact Starling's Collections Team, and gave contact details.

On 9 September, Mr N contacted this service.

He said that at the cash machine, he'd put in his card and PIN, and a request for £60 cash with receipt. The machine had made a loud noise and no cash had been dispensed. He said he received a receipt, and his card came out, but the card took a while and only came out after he'd pressed "Cancel" a few times. He said the cash flap hadn't opened. There hadn't been anyone around at the time and he'd waited about five minutes before walking away. He hadn't gone to any other machine shortly afterwards.

Our investigator asked Mr N if he could send us a copy of the receipt, but Mr N said he couldn't find it because of his disability and ill health.

Mr N also said the problem had caused him stress and had mentally affected him, and he'd also experienced recent family bereavement. He said Starling hadn't taken his circumstances into account, and he wanted a refund and compensation for its poor service, and stress and inconvenience caused.

Our investigator didn't uphold Mr N's complaint.

She explained that it wasn't in dispute that Mr N had authorised the £60 withdrawal using his card and PIN – but he'd said the machine didn't dispense the cash, and Starling had said it did. She considered that it was more likely than not that the machine did dispense the money. She set out what the machine evidence had shown. This included the money being made at 10.11pm with six £10 notes being correctly dispensed. There had been other

successful withdrawals one minute before, and four minutes after, Mr N's. This indicated there hadn't been a problem with the machine. The log also showed that the machine had been balanced on 9 July, five days later. That meant that the amount of cash dispensed matched the electronic withdrawal records. If the machine hadn't dispensed the cash, the records would have shown a surplus of notes left in the machine and it wouldn't have balanced. Similarly, if any of the machine processes had malfunctioned, there'd have been a record, but there wasn't. If the machine hadn't dispensed cash, it would close down or suspend, to run a diagnostic. But this hadn't happened.

The investigator also noted that Mr N had said he believed someone else had had the same issue with the machine – but there was no evidence to show this.

The investigator also considered Mr N's complaint about Starling's customer service. She said she was sorry to hear about Mr N's difficulties. But she found that the way Starling had investigated Mr N's complaint had been fair, and they'd completed the investigation within a reasonable time. So she considered Starling's £25 compensation had been fair.

Mr N didn't agree. He said:

- The machine hadn't dispensed the £60. He said the decision had been based on the machine journal provided by the machine owner, but he said this didn't conclusively show the cash was dispensed. He said the log may show that the machine tried to dispense six £10 notes, but it doesn't prove the notes physically left the machine. He didn't accept that a malfunction would always be recorded on the log;
- Not enough weight had been given to the fact he'd received a receipt, which had said there was a problem processing his request. He said that although he no longer had this receipt, he'd reported it to Starling, and there was no need for him to invent a receipt;
- Too much weight had been put on the machine balancing days later. Mr N said cash machine balancing isn't infallible. If the machine had wrongly recorded money had been dispensed when it hadn't, the later balancing would still look correct. He said that without CCTV it wasn't possible to prove the cash had been dispensed;
- His personal circumstances hadn't been given enough consideration. He'd told Starling about his financial vulnerability, anxiety, depression, and recent bereavement, which Starling had admitted it hadn't recorded properly. Mr N said Starling's failure may have impacted the quality and depth of its investigation. He said a vulnerable customer should receive a higher standard of care and this hadn't happened;
- He said that where the evidence was inconclusive, the consumer shouldn't be penalised. He said Starling hadn't provided proof the cash was physically dispensed, only machine evidence. He said this had caused him undue stress and with his medical conditions, stress wasn't good for him.

Mr N asked for an ombudsman's 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.

First, I'm sorry to hear that Mr N has medical, financial, and personal difficulties. I realise that these must be very stressful for him.

As I've set out above, Mr N has raised multiple points in his submissions to this service. I've understood all of those and considered all he's said and sent us, but in reaching my decision here I've focused on what I think is vital to my conclusions.

### *What the Regulations say*

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. Here, it's not disputed that Mr N authorised the disputed £60 cash withdrawal. What's in dispute is whether the cash machine did, or didn't, dispense the money.

As I wasn't physically present at the machine at the time the withdrawal was made, I can't know for certain what happened. It often happens that evidence conflicts, and when this occurs, I take my decision on what I think is more likely than not to have taken place. I base this on the available evidence.

### *Is it more likely than not that the disputed £60 cash was dispensed to Mr N?*

I've considered what Mr N has said, as well as the evidence from the cash machine computer records.

Starling sent Mr N a copy of the machine log, so he'll have seen that it shows that £60 was dispensed at 22:11:06 on 4 July 2025. There was also a transaction one minute before Mr N's at 22:10. After Mr N's, there were successful transactions at 22:15, 22:20, and 22:24. The machine log records that these were all successfully dispensed. I've also looked at the computer records which show that the cash machine balanced on 9 July. This means that the electronic logs of what money went out, matched what cash was left in the machine.

I accept that the machine logs, both of the transactions on 4 July, and the balance on 9 July, were accurate. Machine technology is specialised and complex and is devised accurately to process and record very high numbers of transactions. There would also have been a computer record if any part of the machine had gone wrong. And if the machine hadn't dispensed cash, it would have closed down or suspended, to run a diagnostic. That didn't happen and the next successful withdrawal took place only four minutes later.

Mr N argues that the log might show the machine tried to dispense the money, but it doesn't prove any notes left the machine. He also says he had had a receipt, which he no longer has because of his medical condition, which he says recorded that the machine hadn't dispensed the money.

I'm not persuaded by this argument. If the notes hadn't left the machine, this would have been reflected in the machine balance which would have shown £60 extra cash in the machine. I recognise that Mr N also argues that machine balancing isn't infallible and the machine might have wrongly recorded that money had been dispensed when it hadn't. But I don't consider this is likely.

Turning to the circumstances, Mr N's evidence is that there were no other people around at the time, and that he waited at the machine for five minutes. The log, however, shows that the next successful machine withdrawal took place four minutes later, so that person would have been waiting while Mr N was at the machine. If Mr N had received a receipt from the machine saying it couldn't dispense his money, it's likely he'd have said something to the next person waiting. I also consider it would have been unlikely that that person would have ignored the warning and just carried on to make a successful withdrawal immediately, followed by other people also making successful withdrawals.

I also note that when Mr N withdrew £60 from his account on 2 September, he used the same cash machine where he'd said the machine hadn't dispensed his money a few weeks earlier. Mr N lives in a city so it's likely there would have been other cash machines which were very close by. But he used the same one, even though he'd said it hadn't previously dispensed his money.

Mr N has also argued that without CCTV, it's not possible to conclude the cash was dispensed. CCTV, if in place at the location, is only usually available for around 30 days, so it wouldn't be available to me now. I wouldn't expect Starling routinely to have requested CCTV, and I can't see that Mr N previously asked Starling about this. But In any case, CCTV rarely shows conclusively what took place. As I've explained above, I take my decision on the basis of what's most likely to have happened.

Mr N believes that Starling didn't give his personal circumstances sufficient consideration. I'm very sorry that Mr N suffers from financial vulnerability, anxiety, depression and recent bereavement. But Starling had to take its decision based on whether it was most likely that Mr N did or didn't receive his money. However sympathetic Starling was to his very difficult situation, it couldn't take its decision on whether or not Mr N was in very difficult personal circumstances. It had to decide on the evidence.

I don't agree that Starling's failure to note Mr N's personal circumstances on its records for future contact, affected the decision about whether or not Mr N received a refund. I accept that Starling had independent computer evidence from the other bank's cash machine, which indicated it was most likely that Mr N had received the money.

I've also looked carefully at the correspondence between Starling and Mr N. I consider that Starling acted fairly and reasonably in how it reacted to his disclosure about vulnerability. It expressed sympathy, and postponed the re-debiting of the £60, and gave him details of organisations that could help, as well as its own internal teams. It replied promptly and was sympathetic. I don't consider that the failure to record a marker affected either Starling's decision about the refund, or meant that he received less sympathetic correspondence. I consider that the £25 which Starling paid Mr N, which was for not recording a marker on its internal systems which might potentially have affected him in any future calls, was more than fair in all the circumstances.

I'm sympathetic to Mr N's personal circumstances, but that can't change the issue of whether or not he received the cash. Taking all the above into account, I consider it's more likely than not that the cash machine successfully dispensed Mr N's £60 on 4 July 2025. So I don't require Starling to refund him.

### **My final decision**

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 N to accept or reject my decision before 13 February 2026.

Belinda Knight  
**Ombudsman**