

## **The complaint**

Mr L complains that Starling Bank Limited ('Starling') won't reimburse his loss after he made payments to an online company.

## **What happened**

Mr L says that he came across a competition or prize draw site I'll call 'P' in this decision. He says the marketing made it seem like a fun and low-cost way to win high value items. Initially, Mr L spent relatively small amounts but says he was drawn in by a manipulative model involving 'exclusive' offers, near wins and occasional small wins. At a time when Mr L was struggling to meet his financial commitments, he says he felt compelled to keep playing and attempt to recover what he had lost.

Payments were made from Mr L's personal and sole trader accounts.

Mr L says that eventually he realised he was in financial difficulties and was worrying about paying essential bills. He contacted Starling to dispute transactions that went directly to P and others that went via another company I'll call 'C' in June 2025.

Starling said that due to the nature of the payments and the fact the claim was raised outside of the period allowed it was unable to dispute the transactions made to P. In respect of the transactions made via C, Starling said that Mr L would need to raise these directly with C.

Mr L was unhappy with Starling's response and brought a complaint to this service.

The investigator who considered Mr L's complaint didn't recommend that it be upheld. In summary, he said Mr L authorised the transactions he is disputing and received the expected service. The investigator also said that no chargeback rights existed, Mr L wasn't the victim of a scam, and Starling was unaware of any vulnerability until the claim was raised.

Mr L didn't agree with the investigator's findings, so his complaint has been referred to me to decide. He says he was effectively scammed and that Starling failed to recognise and respond to his vulnerability when the payments were made and when he disputed them. Mr L believes there were clear signs of harm in his account behaviour and that Starling should have intervened, considered whether he was being exploited, or was showing signs of gambling related harm, and looked at options to support him.

## **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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where I can't know for certain what has happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words on what I think is more likely than not to have happened in the circumstances.

I am sorry to hear Mr L has lost money which has impacted his finances and well-being. I also understand that Mr L says he was vulnerable to the techniques employed by P at the time. I can only consider Starling's actions as Mr L's bank. I have no power to consider the actions of P. I also can't fairly require Starling to reimburse Mr L solely on the basis he was vulnerable when he made the payments or afterwards.

I don't think Mr L is the victim of a scam. He was paying a registered company that is currently trading. P has excellent reviews on a well-known review site (with a rating of 4.9 from around 9,000 reviews) and Mr L received credits with references such as 'Instant Win' and a prize. I have seen no evidence to lead me to conclude that P wasn't operating legitimately. While P may have used tactics to persuade Mr L to continue to send funds, this doesn't mean P was operating a scam.

In broad terms, the starting position at law is that Starling is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here, I'm satisfied that the payments made by Mr L were authorised. I recognise that Mr L says they weren't authorised because he didn't give informed consent. Mr L believes that although he made the payments he did so under false pretences as P presented itself as a lifestyle retailer offering the chance to win prizes and not a gambling company – which is what Mr L believes it was.

Under the Payment Services Regulations consent isn't the same as "informed consent" in some other contexts. The validity of a consumer's consent to a payment transaction doesn't depend on the payment transaction being fully explained to them. When a consumer gives a payment order, the underlying relationship between them and whoever they are paying is irrelevant to whether the payment counts as "authorised." This means that even if a customer has been deceived about the purpose or amount, that doesn't usually make the payment unauthorised. In this case I'm satisfied from the evidence provided that Mr L made and authorised the payments to P, and I note that he accepts he made the payments himself.

There are some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Starling also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Mr L has said that Starling should have identified an unusual pattern of payments and intervened, but I don't agree. Mr L made nearly 80 low value transactions to P and C across his sole trader and personal accounts over a period of around eight months. The values varied between under a pound up to just over £350 and most went via C. Payments to C weren't unusual for Mr L. The total amount sent to P was just under £4,500.

Whilst I recognise Mr L is experiencing difficulties after using his funds on P's site, I don't think there was enough going on that Starling ought reasonably to have taken additional steps before following his payment instructions. I don't think the pattern of transactions or the value warranted intervention of the type set out by Mr L. There's a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. Whilst banks have obligations to act in their customers' best interests, they can't reasonably be involved in every transaction. To do so would involve significant disruption to legitimate payments. And even if Starling had spoken to Mr L, there

wouldn't have been scam concerns so it could only check that Mr L wished to make the payments.

Mr L has said that Starling didn't investigate the merchant, P, and how it operated. This isn't the role of Mr L's bank. Starling needed to consider if Mr L was the victim of a scam and if there were any steps it could take to help Mr L to get his funds back. This is what Starling did.

In terms of Mr L's vulnerability, this was only raised with Starling when he made a claim in June 2025. Mr L has pointed out that it existed before this date. Whilst I don't dispute this is likely to be the case, I can't expect Starling to know and respond to a vulnerability unless there are clear signs it has missed. I don't accept that Starling ought reasonably to have recognised a vulnerability based on Mr L's account behaviour and the wider picture, as he says it should.

I turn now to whether Starling acted reasonably in not raising chargebacks in respect of the payments Mr L made.

Chargeback is a process that allows debit and credit card holders to reverse a transaction when there's a problem with the goods or services they have purchased. It is organised and run through the overarching card scheme but customers wishing to use the service must go through their card issuer (Starling in this case). The chargeback scheme is voluntary, and banks are not under any formal obligation to submit a chargeback claim. But this service's view is that it is good practice for a bank like Starling to make a chargeback claim where the right exists, timescales are met and there is a reasonable prospect of success.

Chargebacks are not a guaranteed method of getting a refund. They are decided based on the card scheme's rules, which can't be set aside in individual circumstances. In this case Mr L disputed the payments outside of the timeframes set out in the chargeback rules, so I don't think Starling acted unreasonably in not raising chargebacks.

Mr L has said that even if chargeback didn't apply Starling could have invoked its fraud recovery process. This process doesn't apply to card payments though, and the transactions I have been asked to consider were all made by card. So there was nothing outside of the chargeback process that Starling could have done to recover Mr L's funds. And, although not relevant because Mr L made card payments, Starling would only try to recover funds when a customer has been the victim of a scam – which wasn't the case here.

I turn now to the service provided by Starling. Mr L says that when he reached out to Starling for help its responses were mechanical and unsympathetic. I have considered the chat messages exchanged between Mr L and a Starling agent in June 2025 when Mr L disputed the transactions. I can see that the Starling agent noted that Mr L had mentioned gambling, depression and mental health difficulties and asked Mr L if he would like to discuss how Starling could best support him. Mr L said in the few weeks before he had been feeling positive and later that he had support from family and friends. Gambling was discussed and Mr L said he would like a gambling block but that he wasn't gambling. Consent was gained to add a note to Mr L's account that he had been affected by gambling and he was depressed sometimes.

The Starling agent also asked Mr L if his financial situation was impacting his ability to pay essential bills. Mr L asked if the investigation could be done and said he would see what happened. The agent sent Mr L links to organisations that could support him. Towards the end of the chat Mr L thanked the agent for listening patiently, empathising and understanding. He went on to thank the Starling agent for the "outstanding customer service".

So, I think Starling took reasonable steps to support Mr L. It also provided him with a prompt answer to his claim.

Mr L has recently raised points that didn't form part of his complaint to Starling so I can't consider them here.

Overall, I don't think Starling has done anything wrong or treated Mr L unfairly.

**My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 March 2026.

Jay Hadfield  
**Ombudsman**