

The complaint

Mr O has complained Starling Bank Limited lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

What happened

Mr O had been running accounts with Starling for a number of years. In April 2022 Starling raised some issues with Mr O after getting a fraud notification from another bank. This other bank's customer had sent £8,750 to Mr O's account after being the victim of a scam.

Starling wasn't convinced by Mr O's story that he'd sold clothes to this individual (who Mr O named in his response to Starling) particularly taking into account the amount of money in dispute. They confirmed that they were closing Mr O's account on 26 April 2022. They also lodged a fraud-related marker on the CIFAS database.

In 2025 Mr O asked Starling to remove the marker. Starling confirmed they'd done nothing wrong and wouldn't remove the marker.

Mr O brought his complaint to the ombudsman service.

Our investigator noted Mr O's evidence that someone he knew was offering online trading courses and sent Mr O a loan which was the money in dispute. Our investigator noted that this was a significant change to the story Mr O had told Starling. Even considering the time that had passed, she wasn't convinced by what Mr O was now saying. She felt he'd been aware this money was fraudulent and his account statement clearly showed he spent this after receipt. She confirmed that Starling had enough evidence to lodge a CIFAS marker.

Disappointed with this outcome, Mr O has asked an ombudsman to review his 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've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous.”

Starling must be able to provide clear evidence that an identified fraud was being committed, and Mr O was involved. This means that they must have more than a suspicion or a concern that Mr O may be involved.

There's also a requirement that Starling should be giving the account holder an opportunity

to explain what was going on.

I've seen the evidence provided by Starling. This confirms that they received a complaint from another bank that one of their customers had been the victim of a scam. This individual had made six payments totalling £8,750 to Mr O's account as she believed she was paying fees to ensure payment of an existing investment.

After receiving the fraud report, Starling asked Mr O to explain why he'd received these funds. Mr O told them this individual – naming the individual whose name was on his statement narrative – had bought clothes Mr O was selling. She'd made purchases from Mr O before but had previously used crypto to make the payments. Mr O was asked for evidence to substantiate his story. He eventually responded to Starling saying he'd unfortunately lost his phone and couldn't provide them with any further information.

Starling felt it was highly unlikely someone would be spending this amount of money on clothes purchased from an individual. Based on what they knew about Mr O's use of the funds – being spent on cryptocurrency, cash withdrawals and card use – and lack of explanation, they decided they had sufficient evidence to close his account and lodge a CIFAS marker.

In Mr O's submission to our service, he accepted he could no longer recall what he'd told Starling more than three years before. I've seen evidence which confirms what I've written above, despite Mr O's protestations, so whilst I note what he now says, this isn't what he told Starling in April 2022.

Mr O now says he was thinking of buying an online trading course. The individual who provided these courses initially provided Mr O with a loan for £8,000 but wasn't then able to provide Mr O with any evidence that he could share with Starling.

This doesn't really explain why someone would have raised a fraud report. There's also no evidence to suggest Mr O was unable to use a cash machine as he's now saying was the case. Nor has he provided any explanation why he then immediately spent this money the way he did, as this doesn't match why he was being given the money in the first place. It's also true that the name of the payer matched Mr O's story in 2022, but not now.

I also note that Starling told Mr O that they were returning the remaining funds in his account, £791.45, to the person who'd disputed the transactions. But bizarrely Mr O seemed to find this acceptable – which if he was the genuine owner of these funds would strike me as an unusual response.

I think the evidence shows Mr O was in receipt of fraudulent funds and importantly knew that this was the case.

In accordance with the rules about lodging a marker, I accept that Starling acted properly. On this basis, I don't believe it would be fair and reasonable to ask Starling to remove the CIFAS marker.

My final decision

For the reasons given, my final decision is not to uphold Mr O's complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 21 May 2026.

Sandra Quinn
Ombudsman