

The complaint

Mr R complains Starling Bank Limited (“Starling”) declined his application for an Easy Saver account and won’t give him a clear and detailed explanation why it did so.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In 2024, Mr R made an application with Starling for a ‘Easy Saver’ savings account which was declined. Mr R had a current account with Starling at the time. Unhappy, Mr R complained. Starling didn’t uphold Mr R’s complaint saying it was subject to certain constraints around opening new accounts.

Mr R referred his complaint to this service. Mr R showed he didn’t have an adverse fraud marker applied against him by CIFAS (Credit Industry Fraud Avoidance Systems), and that he had a good credit score. One of our Investigator’s looked into it, and they recommended the complaint was upheld. In summary, the key points they made were:

- Banks can make commercial decisions about approving account applications. Its reasons for declining don’t have to be shared with the consumer but it should show this service its acted fairly in doing so
- Starling has shared some information in confidence with this service. But the information Starling has provided doesn’t show the constraints it is under meant he could not be given a savings account. Starling has provided insufficient information
- Mr R has been inconvenienced by his application being declined as he would have needed to open a savings account elsewhere. So, Starling should pay Mr R £100 compensation

Mr R didn’t agree with what our Investigator said. In short, Mr R says his complaint isn’t motivated by compensation but about understanding why his application was declined – something Mr R says he has a right to know.

As there was no agreement, this complaint has been passed 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.

Having done so, I have decided to uphold this complaint. I’ll explain why.

As a UK financial business, Starling is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. Starling is also required to carry out

ongoing monitoring of an existing business relationship. That sometimes means Starling may need to decline applications for new accounts as well as restricting, or even closing, an existing account.

Starling has provided an explanation and some information it says supports its decision to decline Mr R's application for a savings account. After carefully considering this, I am not satisfied that Starling has provided enough evidence to show it acted fairly, reasonably, and in line with its obligations when declining Mr R's application for a savings account. I would expect Starling to provide enough evidence to substantiate its explanation – something it has failed to do here.

It's understandable why Mr R wants a detailed explanation as to why Starling declined his application, but Starling isn't obligated to do so. We would, however, expect Starling to provide this service with a full explanation and enough supporting evidence, so we can ensure customers, like Mr R in this case, have been treated fairly. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Starling has provided basic information for its actions, and while not thorough, it is information I consider should be kept confidential.

As I don't find Starling acted fairly in declining the application based on the limited information I've been given, Mr R would have been caused some distress and inconvenience. Having carefully weighed this up, I'm satisfied £100 is fair compensation. I note that Mr R has said he isn't after compensation, but Starling's failings here have caused him inconvenience and distress. Something Starling needs to put right.

My final decision

For the reasons above, I have decided to uphold this complaint. I now direct Starling Bank Limited to pay Mr R £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 February 2026.

Ketan Nagla
Ombudsman