

The complaint

Mr B and Mrs B have complained that Starling Bank Limited (“Starling”) stopped an inbound payment into their account.

What happened

Mr B was expecting an overseas payment from his mother, to be paid into his Starling account. To process the payment, Starling asked Mr B to provide information. But, as Starling was not satisfied with the information that Mr B provided, it returned the payment to the sender.

Unhappy with this, Mr B complained to Starling. Starling issued its final response to the complaint on 26 November 2025 and partially upheld the complaint. To resolve the complaint, Starling paid Mr B £75 compensation.

After Mr B referred the complaint to this service, one of our investigators assessed the complaint and they concluded that what Starling had done to put things right was fair.

As Mr B didn’t accept the investigator’s conclusions, the matter was referred for an ombudsman’s decision. As Mr B was mostly involved in this matter, I’ve referred mainly to Mr B throughout this 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.

Having considered everything, I don’t uphold this complaint for broadly the same reasons that the investigator gave. I will explain why.

Mr B was expecting a payment from his mother, to be credited into his account. When Starling received the money for the payment, it asked Mr B for further information and eventually rejected the payment and sent it back to the sender.

In these circumstances, I can appreciate that it must’ve been frustrating for Mr B, especially as I can see that he did try and comply with the information requests that Starling made. And in broad terms, the starting position is a bank is expected to process payments and withdrawals, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account.

However, Starling is also obliged to adhere to its Know your Customer responsibilities. These include understanding an account holder’s source of funds and source of wealth.

I appreciate why Mr B questioned why Starling wanted such information, simply to receive a payment into his account that his mother had made to him. But Starling requested this information from him to ensure it complies with the regulator’s Know your Customer responsibilities. And based on all of the information that I have been provided with, I can’t reasonably say that Starling was acting unfairly or unreasonably in asking for the information (and evidence) that it did.

I can see that Mr B was initially able to comply with the requests, by providing statements from another account provider and an ISA provider. But Starling asked for statements from a specific account (and provided Mr B with the sort code and account number) covering a specific period of time. This was because a number of payments were made into Mr B's Starling account, that didn't appear on the statements that Mr B had provided. From what I understand of the matter, Mr B had provided the statements for a Stocks and Shares ISA, but Starling needed the statements for a Cash ISA that Mr B held with the same provider.

Given the discrepancy between the statements that Mr B had provided and the payment details Starling needed, I think it's understandable why Starling took the decision to stop the payment and return it to the sender. I appreciate that this was frustrating for Mr B, and particularly his mother, given that she was the one who'd made the payment. But I can't say that Starling was being unreasonable in the circumstances, given that it had provided Mr B with the details of the account that it needed statements for. And although I recognise Starling's decision to return the payment may've had an impact on Mr B's mother, as Mr B is the eligible complainant here, I am unable to say that Starling should make an award for his mother's inconvenience and costs in having to make the payment again. And that is the case even if I thought such an award was warranted.

In terms of Starling's handling of matters, I note that when Mr B was being asked to provide evidence, he called Starling as he was confused which provider Starling wanted information from. During this call, Starling clarified that it needed statements from his ISA provider, and added Mr B's comments to his file, so that the payments team could take them into consideration, when processing its checks on the payment.

Mr B is unhappy, as he wanted to speak to someone in the payments team to explain matters and get to the bottom of why the payment was being withheld. I understand why Mr B wanted to speak to a member of staff, and I appreciate that he was trying to comply with Starling's requests. But although Mr B didn't get a chance to speak to the relevant department, I can see that Starling had explained the issue via its chat service and it clarified what specific information it needed and the account number and sort code of the account it needed statements for.

Having reviewed the timeline of events, I do think that Starling was possibly a bit hasty in rejecting the payment, especially as Mr B was still in the process of trying to understand which account it was he needed to provide statements for. But Starling was required to either accept or reject the payment. And even if Starling had given Mr B some more time, I'm not sure that this would've necessarily changed the outcome, regarding the payment being returned to the sender. I say this especially as Mr B says the account the statements were being requested for, was closed. And I think it's likely that it may've taken Mr B some time to obtain the necessary statements from his previous Cash ISA provider. So, even if he'd been given a bit more time to provide it, I still think it likely that the payment would've been rejected and Mr B would've needed to ask his mother to make the payment again, once he was able to provide the necessary statements to Starling.

That said, I can see that Mr B was led to believe that someone would speak to him and this didn't happen. And I can appreciate Mr B's frustration that the payment was returned to the sender, before he'd had an opportunity to discuss matters further.

Having considered what happened, I think the £75 paid by Starling for the failings in its customer service is fair given what happened. But, given the circumstances, I can't say that Starling acted unfairly or unreasonably in returning the payment to the sender.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 20 March 2026.

Thomas White
Ombudsman