

The complaint

Mr and Mrs B complain that Starling Bank Limited (“Starling”) declined their application for a joint current account, without providing an explanation.

What happened

The facts which led to Mr and Mrs B bringing their complaint to our service are well known to both parties, so I won’t be repeating them in full here.

Mr and Mrs B applied for a joint current account with Starling in February 2025. The application was declined, so Mr B made a complaint to Starling and requested an explanation regarding why the application was declined.

Starling issued its final response in March 2025. It explained that it wouldn’t be able to share why Mr and Mrs B’s application had been declined. Starling added that whilst Mr and Mrs B held personal current accounts with Starling, a variety of factors were considered when reviewing account applications and each account is subject to eligibility criteria. Starling explained that Mr and Mrs B’s application wasn’t successful due to Starling’s internal policies and procedures, which couldn’t be shared with Mr B, as it was sensitive in nature.

Mr B referred the complaint to our service. He explained that both he and Mrs B held personal accounts with Starling, which was a requirement to open a joint account. And that Starling had previously advised the option to apply for a joint account would only be available to Mr and Mrs B, if they were eligible for one.

Mr B further added that he felt his requests for Starling to be transparent were ignored and he referenced the case of a high-profile individual who had their bank accounts closed, a few years ago. He considered that following that incident, banks were required to give reasons for the closure of an account, so the same principles should apply when an account application is declined.

One of our Investigators looked into things and upheld the complaint. In summary, they said:

- Banks were entitled to make commercial decisions about whether they approved account applications. And they weren’t obliged to share their reasons with consumers but we’d expect them to share the reasons with our service
- Starling had shared information with our service in confidence regarding why it had declined Mr and Mrs B’s application – which it could do under the rules of our service
- Having reviewed the information provided by Starling, it wasn’t possible to conclude that Starling had acted fairly
- Mr and Mrs B had been inconvenienced by Starling declining their application, so it should pay £100 compensation to them

Starling agreed to our Investigator’s findings.

Mr and Mrs B disagreed. In addition to previous points Mr B had made, he said the lack of explanation from Starling about why the application was declined appeared to be contrary to GDPR requirements, and Mr and Mrs B wanted transparency regarding the reason their application was declined.

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.

As a UK financial business, Starling is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. 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 information regarding why it declined Mr and Mrs B's joint account application. I've carefully considered the information that Starling has shared with our service in confidence and I'm not satisfied that Starling has provided enough evidence to show it acted in line with its obligations, when declining Mr and Mrs B's account application.

I know Mr B feels strongly about being given a detailed explanation as to why Starling declined the application, but Starling isn't obligated to do so. We would, however, expect Starling to provide this service with a full explanation so we can ensure customers, like Mr and Mrs B 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.

I understand of course why Mr and Mrs B want absolute clarity and to know the exact reasons behind Starling's decision, other than what they've previously been told. I recognise Mr B has also mentioned that they were told only eligible applicants would be able to apply for a joint account and be given the option to apply for one. And I can see that Mr B has asked Starling to explain itself on several occasions. Mr B has said that he and Mrs B haven't had any clarity about the reasons the application was declined and the information Starling has about them. They therefore consider they can't correct any information Starling may hold about them, that could be inaccurate.

I've taken on board Mr and Mrs B's comments. But I'm satisfied, as the Investigator said, Starling has provided information to us in confidence regarding the decision to decline Mr and Mrs B's application. This service was set up under a set of rules, DISP, and DISP 3.8.1R, says:

In dealing with information received in relation to the consideration of a complaint, the Financial Ombudsman Service will have regard to the parties' rights of privacy.

I've considered what Starling sent this service, and I've carefully considered what Mr and Mrs B have said about the need for transparency and why they consider Starling should provide the reasons for declining the account application. But, having considered all this, I still think it's fair not to release the specific reasons for why Starling declined the account application.

I know Mr and Mrs B are unhappy that they haven't been given a detailed reason as to why Starling has done this. But as I've mentioned, it's not obliged to do so. So, I can't say it has done anything wrong in not giving them this information, as much as they'd like to know. And it wouldn't be appropriate for me to require it do so now.

I would add too that it isn't our service's role to decide whether there has been a breach of data protection rules here - that is for the Information Commissioner's Office (ICO) to determine, but instead to see what has happened and whether Mr and Mrs B have been

treated fairly. If Mr and Mrs B remain unhappy with the response they receive, they may wish to complain to the ICO, should they feel Starling has breached data laws.

I appreciate Mr and Mrs B might be concerned that their credit rating has been affected because their application was declined by Starling. Having reviewed the available evidence, I haven't seen anything to suggest this has happened here.

As I don't find Starling acted fairly in declining Mr and Mrs B's application based on the limited information I've been given, and since Mr and Mrs B say they considered they were eligible for the account, which led to them submitting an application, I think they would have been caused some distress and inconvenience. Having carefully weighed this up, I'm satisfied £100 is fair compensation.

My final decision

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

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 13 April 2026.

Khadijah Nakhuda
Ombudsman