

The complaint

Ms K complains that Starling Bank Limited ('Starling') won't reimburse the money she's lost from what she believes to have been an investment scam.

Ms K is professionally represented in bringing her complaint, but for ease of reading I'll refer to all submissions as being made by Ms K directly.

What happened

Ms K says she fell victim to an investment scam in August 2023, after she found out about an investment through a friend. Ms K explained she was contacted about an investment opportunity in which it was claimed her funds could be doubled within a week through cryptocurrency trading.

Ms K told us she tested out the arrangement over approximately eight weeks – with an initial £1,000 investment (this payment is not included within those Ms K has raised with Starling), during which time Ms K says returns were shown.

Ms K says the group later attended a conference abroad, which was presented as legitimate and paid for – which she said further reinforced credibility.

Following this, a larger investment opportunity was presented. Ms K's said she was given guarantees on the investment, but it hasn't been shared what these were.

Ms K carried out a google check but didn't check the investment/ scammer on the Financial Conduct Authority ('FCA') website. Ms K says she did have some concerns at the outset as all the funds appeared to be sent internationally but that she was not asked to cover any administrative costs and from what she had been told, the opportunity appeared genuine.

Ms K has shared that she took out loans from two different banking service providers which she says she used towards the investment. She recollects being asked to provide her ID as she was told she'd need to confirm her identity – the scammer set up an account for Ms K, and she has said she had control of this account.

Convinced that all was a genuine investment, Ms K says she made nine payments from her Starling account between 10 August 2023 and 28 August 2023, totalling £14,844.00. The payments were made to a payment service provider (I'll refer to as 'E') for a cryptocurrency exchange platform (I'll refer to as 'K') – to a cryptocurrency account in her name. Ms K says the funds were being used for cryptocurrency trading and that her funds were being transferred for this purpose.

Ms K says contact and conversations were carried out via two messaging apps but has said after the funds were sent, the groups and conversations were deleted. Ms K has recalled taking some screenshots from K, but these haven't been provided.

Ms K says she realised she'd fallen victim to a scam after her accounts were closed down, alongside the chat conversations/messages being deleted.

Ms K contacted Starling in January 2024 and, is unhappy it has not reimbursed the amount of £5,124.58 which she's said will put her back into the position she would've been in but for the bank's negligence in releasing the funds.

Starling haven't provided an answer on the matter.

One of our Investigators looked into things but didn't uphold the complaint. In summary, he didn't think the payments Ms K made met the FCA's definition of an Authorised Push Payment ('APP') scam. He considered the evidence available to be inconclusive – and didn't think Ms K had proven a fraudulent purpose.

Ms K asked for the matter to be considered further. As an informal agreement couldn't be reached the complaint has been passed to me for a 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.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, where the customer made the payments as a consequence of the actions of a scammer, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payments.

In order to determine that Starling was responsible for reimbursing Ms K, either in part or full, I'd first need to be satisfied from the available evidence that a scam has taken place.

During our investigations we've asked Ms K for evidence of conversations between herself and the scammer, or evidence that cryptocurrency payments were made to a wallet outside of Ms K's control, but unfortunately such evidence hasn't been provided. As set out above, Ms K has recollected taking screenshots of K, but these have not been provided to our service. Similarly, Ms K unfortunately hasn't been able to provide evidence of the chat messages as she's said these were deleted after the funds were sent. Ms K has shared this is how the scam operated – with reliance on encrypted messaging platforms and the deliberate deletion of records by the perpetrators.

I acknowledge Ms K says she has been the victim of a scam and feels that Starling ought to have intervened on the payments she is now disputing. I've carefully considered everything I've seen and been told, but I can't fairly conclude that Ms K has been the victim of a scam in relation to these payments. So even if I were to conclude that Starling had done something wrong, I can't reasonably conclude that this caused Ms K to suffer a financial loss.

From the limited testimony from Ms K, on balance, I'm persuaded the payments Ms K says she sent from her Starling account went to an account in her name with a cryptocurrency provider. I'm aware Ms K has said the scammer set up an account but from what she's told us she was aware of this, and it was in her name. She's also referred to having access to the account and being able to make a payment from it for £1,000.

I've not seen anything within Ms K's testimony that suggests she disputes receiving the cryptocurrency in exchange for the payments. And while Ms K recalls taking some screenshots from K - these haven't been provided. As such I've not seen any evidence that she sent these funds from her crypto wallet to the scammer. And she hasn't been able to show any link between these payments and a scammer.

Further, I'm mindful there is also a sizable difference between the total amount of the nine payments Ms K says she made as a result of the scam (£14,844.00) and the loss amount she is seeking to recover of £5,124.58.

While I know this will come as a disappointment to Ms K, I'm afraid based on the limited and inconclusive evidence before me, I haven't seen persuasive evidence Ms K made these payments due to being the victim of a scam. I accept Ms K feels she has fallen victim to a scam – but I don't find that obvious from the circumstances she has described. And it is for Ms K to demonstrate and evidence that has happened.

So, it follows that I don't think it would be reasonable to ask Starling to reimburse Ms K without evidence first of a loss to her as the result of a scam. And I don't find there are any grounds to uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 20 February 2026.

Staci Rowland
Ombudsman