

The complaint

Mrs N complains that Starling Bank Limited (“Starling”) unfairly closed her account with it when she was the victim of a scam.

What happened

Mrs N opened a bank account with Starling on 22 June 2025. Following a review of Mrs N’s account activity on 7 July Starling applied a temporary restriction to Mrs N’s account and asked Mrs N to provide information on certain payments being made from her account.

Mrs N responded to this on 10 July and Starling requested some supporting documentation. Mrs N provided Starling with information to show that she was a victim of a sophisticated scam.

Starling queried this further with Mrs N on 15 July and following further investigation took the decision to close her account and gave 90 days’ notice – the longest notice Starling provides - on 26 July that it was going to close her account with it on 24 October. Starling informed Mrs N that she needed to move out any of the money held in the account before it was closed.

Mrs N complained to Starling about this. Starling didn’t uphold Mrs N’s complaint as it had determined on the information that it had that Mrs N was outside its risk appetite and so took the decision to close her account in-line with its terms and conditions.

Mrs N remained unhappy and so brought her complaint to this service. Mrs N says the closure of her account has disrupted her daily life causing her severe emotional distress, anxiety and embarrassment. Mrs N wants a written apology acknowledging Starling’s mistake and compensation for the distress and financial inconvenience suffered.

One of our investigators looked into Mrs N’s concerns but didn’t think Starling had done anything wrong or treated Mrs N unfairly as it wasn’t Starling that had applied Cifas markers and it had provided sufficient notice of the account closure and wasn’t obliged to offer services to a customer if it didn’t want to.

Mrs N disagreed and has asked for an ombudsman’s decision on the matter.

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.

I hope that Mrs N won’t take it as a discourtesy that I’ve condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I’ve concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mrs N’s complaint is that Starling unfairly closed her account when she was the victim of a scam.

It might help if I explain here, my role is to look at the problems Mrs N has experienced and see if Starling has done anything wrong. If it has I would look to put Mrs N in the position she'd be in if the mistake hadn't happened and I may award compensation that I think is fair and reasonable.

And while I do take relevant law and regulation into account when arriving at a decision, my remit is focused on whether I feel a fair and reasonable outcome has occurred. Only a court could make a finding as to whether a business breached its duty under the Equalities Act or acted unlawfully as Mrs N has submitted here.

As our investigator has already explained, as general rule Starling isn't obliged to continue offering an account to a customer if it doesn't want to – providing banking services and facilities and to who is a commercial decision and not something for me to get involved with.

That being said, it wouldn't be fair for Starling to suspend or close Mrs N's accounts outside the terms and conditions of the account.

Starlings terms and conditions stipulate that:

“We may restrict (in whole or in part), suspend your use of or close any or all of your Accounts immediately, at any time, and terminate our Agreement with you in respect of any or all of your Accounts without notifying you at all if any of the following things happen:

We are required to for legal or regulatory reasons or at the direction of a regulator or law enforcement authorities;

We suspect you are using your Account:

- For criminal or fraudulent purposes;
- To send or receive payments to/from any business or person that exceeds our risk appetite.”

In this instance despite Starling's terms and conditions allowing it to close Mrs N's account at any time, Starling provided Mrs N with 90 days' notice and the account was closed following this.

Mrs N believes Starling closed her account unfairly due to Cifas markers applied by other banks. But Starling aren't obliged to keep offering services to customers or provide a reason for the commercial decisions it takes, just as Mrs N wouldn't be expected to say why she chose a particular bank to transact with.

And in any case from the information I've seen - although I sympathise with Mrs N and the difficult circumstances she has found herself in - I'm satisfied that Starling's decision to close Mrs N's account wasn't unreasonable and fits into the reasons outlined in the terms and conditions where Starling can end an agreement immediately. And so given Starling still provided Mrs N with 90 days' notice of closure when it didn't have to, I don't think Starling have made an error or treated Mrs N unfairly here.

I appreciate that this has caused some inconvenience and distress to Mrs N which has disrupted her day-to-day life, but this doesn't mean it automatically follows that Starling has acted unfairly or did something wrong when closing her account. This is a commercial decision Starling is entitled to take and as it acted in-line with the terms and conditions of the account I can't say Starling has done anything wrong.

And as my understanding is that Mrs N had access to banking facilities elsewhere, I don't think Starling treated Mrs N unfairly either and so it follows that I do not uphold this complaint.

My final decision

For the reasons I've explained I've decided not to uphold Mrs N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 3 March 2026.

Caroline Davies
Ombudsman