

## The complaint

Mr L complains Starling Bank Limited unfairly closed his account and applied a Credit Industry Fraud Avoidance System ('CIFAS'- the UK's fraud alert service) marker against his name.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr L held a Starling account which he opened in May 2025. The account received a number of payments, after which Starling received fraud reports. Starling blocked the account and reached out to Mr L to ask for proof of his entitlement to the incoming funds. Starling listed the payments and asked Mr L for details.

Mr L provided Starling with information – he explained the payments were for tickets for an event. In relation to one larger payment Mr L explained the buyer had purchased tickets for a fight event and had purchased for other people, which was why there was a mismatch in names. Mr L stated he was making the claim unfairly and he had banned him from purchasing tickets again. Mr L provided some screenshots and delivery details to support his position. He said chats were no longer available as he had been blocked.

After reviewing all the evidence Starling didn't consider the information provided by Mr L to be sufficient and prove his entitlement to funds. As a result, Starling closed the account and loaded a CIFAS marker against Mr L for *'misuse of facility'*. Starling also returned funds to sender, and Mr L's account closed with no funds returned to him.

Mr L raised a complaint regarding the application of a CIFAS marker by Starling in late June 2025. Mr L said the marker was affecting his ability to open accounts elsewhere and he was the victim and he was unaware the funds that entered his account were fraudulent. Mr L explained he had allowed his account to be used by a third party, and they were responsible for this activity.

Starling assessed his complaint and in its final response letter dated 12 August 2025 it explained it had followed the correct process in adding the CIFAS loading, and it was unable to remove the marker.

Unhappy with the response, Mr L referred his complaint to our service. Mr L says he was misled and threatened by another individual and he did not knowingly commit any wrongdoing. An Investigator looked into Mr L's complaint and gathered the relevant evidence. The Investigator didn't think the complaint should be upheld. The Investigator explained this was because:

- The loading of a CIFAS marker was fair, and Starling had provided evidence to show the standard of proof had been met.
- Mr L's testimony and evidence wasn't sufficient in explaining the account activity and his entitlement to the funds.

Mr L didn't accept the Investigator's findings and maintained he had been treated unfairly. Mr L stated Starling failed to warn Mr L or give him an opportunity to clarify matters before loading the marker. Mr L detailed the impact the marker was having on him, as he was unable to access services. Mr L reiterated the marker was having a negative impact on his ability to access financial services, employment and overall well-being.

As no agreement could be reached the complaint was referred to me – an ombudsman – for a final 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.

I appreciate Mr L was disappointed by the Investigator's opinion. I'd like to reassure Mr L that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

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. Some of the information Starling has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr L, but I'd like to reassure him that I have considered everything that he's told us.

#### *Account restriction and closure*

As a UK financial business, Starling is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Starling needs to restrict, or in some cases go as far as closing, customers' accounts.

As Mr L is aware, incoming payments into the account were reported as fraudulent and this resulted in Starling blocking the account and asking Mr L questions. Having carefully considered this, I'm satisfied Starling blocked the account and then closed it in line with the obligations it must adhere to. In addition, Starling is entitled to close an account just as a customer may close an account with it. But before Starling closes an account, it must do so in a way, which complies with the terms and conditions of the account. Having reviewed the terms of the account held by Mr L, I'm satisfied Starling's decision to close the account is in keeping with them and appropriate in the circumstances.

I know Mr L feels Starling has acted unfairly given the lack of notice and information provided to him about the closure. Ultimately Mr L would like a detailed explanation as to why Starling took these actions. But Starling isn't under any obligation to provide further details to Mr L. The terms of Mrs N's account allow Starling to close her account immediately in specific circumstances and I'm satisfied the necessary requirements had been met in Mr L's case.

Mr L says Starling's decision to close his account immediately caused him distress and inconvenience. I do appreciate this matter would've caused Mr L some difficulty. However, as explained above, I am satisfied Starling was acting in line with the account terms and its regulatory duties. So although I understand the closure caused inconvenience, I don't consider this to be exceptional in Mr L's case.

### *CIFAS marker*

As part of its regulatory duties, businesses will use databases to share information. CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud. When a bank is a member of CIFAS, it can record a marker against a customer when that customer has used their account fraudulently. This type of marker will stay on a customer's record for a specific period, depending on the customer's age and will usually make it difficult for that customer to take out new financial products. CIFAS forms an important part of the financial services regulatory framework and is intended to assist in the detection and prevention of financial crime.

In order to file such a marker, Starling is not required to prove beyond reasonable doubt that Mr L is guilty of a fraud or financial crime, but it must show that there are grounds more than mere suspicion or concern. CIFAS says:

- There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; and
- The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police.

What this means is that Starling will need strong evidence to show that Mr L has used the account to receive fraudulent funds. A CIFAS marker shouldn't be registered against a customer who has acted unwittingly – there must be evidence of a deliberate fraudulent action. The application of a CIFAS marker can have serious consequences for an individual, so this service expects business to carry out a thorough review of the available evidence.

My role is to establish if Starling has sufficiently demonstrated it has met the burden of proof set out by CIFAS to load the marker against Mr L. Starling has provided this service with details of the investigation it carried out following the fraud reports it received and Mr L's complaint. This included a detailed review of Mr L's account activity and testimony. At the time it loaded the marker against Mr L had provided some evidence – mainly that he was selling tickets to an event and the incoming funds related to this. Mr L provided some screenshots to support his version of events. However, Mr L couldn't provide substantive evidence to support his testimony – such as emails, chats, receipts or further evidence of this event. The lack of supporting evidence to corroborate his comments means I think Starling acted reasonably in loading the marker against Mr L based on the evidence it held.

When Mr L raised a complaint Starling reviewed its decision to load the marker. Mr L's comments about the account activity changed – Mr L referred to a third party who required assistance in his reselling business. Mr L says he was told his account would be used to receive funds, and he would get a cut. Mr L says he didn't see a problem with this. In its review Starling has highlighted its concerns with Mr L's testimony, and why it maintained its decision to upload a marker against Mr L. Based on the information I've seen I think this was the correct approach. I say this because Mr L's version of events at this stage didn't explain the number of fraud reports received, and Mr L's swift movement of funds onwards to a separate account. Mr L's testimony had also been both unclear and inconsistent in his dealings with Starling.

When Mr L referred the complaint to this service, he reiterated his version of events and said he had been a victim in this scam operation. Mr L was asked to provide evidence to support this premise – such as the instructions he received, the contact between him and this third party, and an explanation about the movement of funds. Mr L provided some information – including screenshots of messages, but these don't have dates of time stamps to show they were sent during the relevant period. provided The Investigator didn't find this evidence persuasive, and I am also not persuaded the evidence supports Mr L's position.

Overall Mr L's comments and the supporting evidence don't allay the concerns regarding fraud and clearly show he is entitled to the funds. My review of this information, alongside the submissions made by Starling to this service has led me to the same view reached by the Investigator. The evidence available equates to more than mere suspicion or concern of fraudulent activity.

After reviewing all the available evidence, I find that the marker was loaded fairly. It also follows that Starling's decision to immediately close Mr L's account was fair and in keeping with the account terms and conditions.

I appreciate Mr L will be disappointed with my decision, I hope it provides some clarity around why I won't be asking Starling to take any further action.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 31 March 2026.

Chandni Green  
**Ombudsman**