

## The complaint

Mr L has complained Starling Bank Limited lodged a fraud-related marker on the industry fraud database, CIFAS, in his name.

## What happened

Mr L held two accounts with Starling. One was his personal current account and the other was an account which he operated as a sole trader. I'll refer to his company as C.

In September 2024 Starling blocked Mr L's account after a large credit of £2,000 was paid into his sole trader account. The sending bank notified Starling that this was a fraudulent payment. They were dissatisfied with Mr L's responses about the money he'd received. They notified Mr L that they were closing both of his accounts.

They also lodged a fraud-related marker on the CIFAS database.

In January 2025 Mr L asked Starling to remove the marker. Starling confirmed they'd done nothing wrong and wouldn't remove the marker.

Mr L brought his complaint to the ombudsman service.

Our investigator noted Mr L had provided a number of inconsistent responses to Starling about this payment and why it was being made to his account. Although Mr L now believed he was also a victim, she felt that Mr L had had plenty of opportunity to identify this payment wasn't what he'd been expecting.

As our investigator felt Mr L had knowingly accepted fraudulent funds, she confirmed that Starling had enough evidence to lodge a CIFAS marker.

Disappointed with this outcome, Mr L has asked an ombudsman to review his complaint. He's stressed the difficulties he's having with running his business and managing his domestic family expenses.

## 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 done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

*“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.*

*The evidence must be clear, relevant and rigorous.”*

Starling must be able to provide clear evidence that an identified fraud was being committed,

and Mr L was involved. This means that they must have more than a suspicion or a concern that Mr L may be involved.

There's also a requirement that Starling should be giving the account holder an opportunity to explain what was going on.

I've seen the evidence provided by Starling. This confirms that they received a fraud notification from another bank that their customer had been approached by a business called C and was scammed into sending a payment and giving cash to the individuals scamming them.

This meant that Starling needed to find out from Mr L about his eligibility to these disputed funds. Mr L provided different stories to Starling. These all centred around him expecting a payment for a range of different reasons. At no stage did Mr L confirm that the person who'd sent the funds (the fraud victim) wasn't the person he was expecting the money from. This person was either someone he'd done a "cash job" for or someone who had to repay him some money. He was unable to provide any evidence to back this up.

Mr L provided a screenshot to Starling showing a conversation with someone he knew who had asked him for his account details. This seems to match the £2,000 payment then crediting his account. He also shared the name of his business.

However, none of these stories properly stack up. Mr L was able to see that the money had come from a source he didn't recognise but throughout his detailed chats with Starling, he never admitted this fact to them.

This indicates to me that he was keen to hang on to the funds. He then sent £1,800 of this money to a third party and the remaining £200 to his own account at another bank. Whilst Mr L has told us he believes he was a victim, it was clear at the time he was willing to accept fraudulent funds.

I don't dispute this has all had a serious impact on Mr L. He's unable to run a business account. He no longer uses C for his business and has changed business direction but his inability to have an account has meant very limited trading.

I think the evidence shows Mr L was in receipt of fraudulent funds and importantly knew that this was the case.

In accordance with the rules about lodging a marker, I have no choice but to accept that Starling acted properly. On this basis, I don't believe it would be fair and reasonable to ask Starling to remove the CIFAS marker.

### **My final decision**

For the reasons given, my final decision is not to uphold Mr L's complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 March 2026.

Sandra Quinn  
**Ombudsman**