

The complaint

Ms B complains Starling Bank Limited didn't do enough when a member of the public called to say they'd found her lost wallet.

What happened

Ms B has an account with Starling Bank with a debit card.

In February 2025 Ms B lost her wallet – containing her Starling Bank debit card and other items of importance to her. A member of the public found Ms B's wallet and called Starling Bank in an attempt to re-unite Ms B with her wallet. The agent that spoke to the member of the public told them to hand the wallet into a local police station – in line with Starling Bank's processes. Starling Bank then contacted Ms B to let her know that her wallet had been found and that the member of the public who had found it had been told to hand it into a local police station. Ms B complained when Starling Bank told her that it hadn't asked the member of the public any more details – including where they'd be handing the wallet in.

Starling Bank looked into Ms B's complaint and offered to pay her £75 in compensation for the distress and inconvenience she'd been caused. Ms B was very unhappy with the compensation offered, saying that her wallet contained hugely important items that she'll never be able to replace amongst other things.

One of our investigators looked into Ms B's complaint but didn't think Starling Bank had done anything wrong as its agent had followed its internal process. Ms B didn't agree and asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed to me.

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.

Last month I issued a provisional decision – having attempted to resolve this complaint and having failed to do so. I issued a provisional decision as new information came to light whilst I was reviewing this complaint – namely it became apparent that the member of public who found Ms B's wallet let Starling Bank know which police station they intended to hand her wallet into. That information wasn't passed on to Ms B at the time and I said it should have been.

In my provisional decision, I said that I was satisfied that Ms B still wouldn't have got her wallet back had this information been passed onto her, but she wouldn't have wasted a lot of time searching in a completely different area of the city she lost her wallet in and that she would have had closure much sooner. In my provisional decision I said:

“To put it another way, I'm satisfied that this omission by Starling Bank had caused Ms B considerable distress and inconvenience and has made the stress of losing her wallet harder to deal with.”

I said I was minded to require Starling Bank to pay Ms B an additional £425 in compensation on top of the £75 it has already paid.

Both parties were invited to reply to my provisional decision and both did.

Starling Bank agreed to pay the additional compensation I'd indicated in my provisional decision. Ms B said she thought it was too low. She said she'd originally asked for around £500 to reflect the immediate aftermath, and that the compensation should reflect the fact that it's been more than a year since Starling Bank was "negligent". Ms B said I should take into account the fact that Starling Bank still hasn't apologised or taken any responsibility for its error or taken steps to ensure that this type of mistake couldn't happen again. She also said – and gave a recent example – that the psychological torment of this has been immense and ongoing. In the circumstances, she said that I should double my award.

I've taken what Ms B has said into account very carefully. I know, having spoken to her, how devastating losing her wallet has been given its contents. One thing, however, that has come out of me reviewing this complaint is that it sadly wouldn't have made a difference even if Monzo Bank had passed on the details of which police station the member of the public intended to hand her wallet into as far as recovering her wallet goes. Sadly nothing that Monzo Bank could have done would have made a difference in that respect. Because of that I remain of the view that the right impact to compensate Ms B for is the fact that she wouldn't have wasted a lot of time searching in a completely different area of the city she lost her wallet in and that she would have had closure much sooner.

Putting things right

Given everything I've said, I remain of the view that an award of £500 fairly reflects the impact Starling Bank's errors have had. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require Starling Bank Limited to pay Ms B an additional £425 in compensation on top of the £75 it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 6 March 2026.

Nicolas Atkinson
Ombudsman