

The complaint

Mr W complains that Starling Bank Limited ('Starling') won't reimburse the funds he lost when he fell victim to a scam.

What happened

Mr W says that in late 2023 he saw an advert online for an investment company I'll call 'B' in this decision. He completed an enquiry form and was contacted by a financial advisor for B who explained the investment opportunity and provided Mr W with a link to a trading platform. The initial investment Mr W made was small and wasn't made from Mr W's Starling account. Mr W could see he was making a profit on the platform and decided to invest more.

Mr W then received fake emails from multiple companies which said he needed to make further payments to release his funds.

Between 28 September 2023 and 22 April 2024 Mr W transferred over £251,000 from his Starling account to his own account with an electronic money institution (EMI).

Mr W was asked to pay various fees to withdraw his funds and eventually realised he was the victim of a scam. Through a professional representative, Mr W complained to Starling in August 2025.

Starling didn't agree to reimburse Mr W's loss. It said that it was used as a conduit to send funds to Mr W's own EMI account so he should contact his EMI. Starling also noted that Mr W had transferred funds to his EMI account since the end of October 2022 and that the transactions he reported as part of the scam weren't unusual.

Mr W was unhappy with Starling's response and brought a complaint to this service.

The investigator who considered this complaint didn't recommend that it be upheld. She said that by the time Mr W made a £12,000 payment to his EMI account on 26 October 2023 Starling should have asked some questions. But, based on Mr W's responses to questions Starling asked on 29 November 2023, and on responses to another bank and an EMI, the investigator didn't think Mr W would have provided truthful answers or that the scam would have been prevented.

Mr W, via his professional representative, didn't agree with the investigator's findings and asked for a final decision. In summary, he said that the call with Starling on 29 November 2023 doesn't demonstrate what is most likely to have happened if appropriate intervention took place a month earlier. And Starling's call in November 2023 wasn't a targeted fraud prevention call triggered by specific suspicious activity, but part of a general discussion about account activity. Finally, Mr W said that intervention by other parties was different and doesn't demonstrate that more probing questions by Starling wouldn't have made a difference.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where

appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that Starling is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Mr W authorised the payments, although he did so not realising he was the victim of a scam. So, the starting position is Starling isn't liable.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Starling also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Starling should have been mindful of – among other things – common scam scenarios, the evolving fraud landscape (including for example the use of multi-stage fraud by scammers) and the different risks these can present to consumers, when deciding whether to intervene. So, the fact that the payments went to an account held in Mr W's name, before the funds moved to an account controlled by the scammer, doesn't negate Starling's responsibility to identify potential risks of financial harm from fraud.

I have considered Mr W's account activity in the twelve-month period before the first scam payment to determine if the transactions he made to his EMI account from 28 September 2023 were so unusual and out of character that Starling ought reasonably to have recognised a heightened risk of potential harm and taken additional steps before processing them.

Mr W started to transfer funds from his Starling account to his EMI account on 31 October 2022, nearly a year before the payments he made as part of the scam. He regularly made multiple payments on one day or over a few days. For example, on 29 November 2022 Mr W made two payments of £18,000 and £15,000, meaning that he transferred a total of £33,000 that day. Then on 12 and 13 December 2022 Mr W made eight payments over two days. The total value of these transactions was £37,500. When Mr W made these payments, he credited his account with funds from a third-party account in the same way he did when the scam payments were made. Given these transactions, and others made to the same account, I'm not persuaded Starling needed to do anything more than it did.

In any event, in November 2023 Starling spoke to Mr W twice to discuss his account activity. On 23 November, Starling asked Mr W about the payments he was making to an individual and the possibility that they related to a romance scam. Then, on 29 November 2023 Starling blocked Mr W's account and completed another review. The fraud adviser noted that in the space of around four or five weeks, Mr W had credited his Starling account with funds from another account and then moved those funds on to his EMI account. The total amount transferred to his EMI account was around £109,000. The Starling fraud adviser explained it was his job to protect Mr W from scams and asked what the funds were being used for and why Mr W was passing them through Starling.

Mr W explained to the Starling fraud adviser that he had no set purpose for the funds and was simply letting it accumulate in his EMI account. He also said that he was under the impression that high street banks were less amenable to sending money to his EMI provider than Starling and this was why he was passing funds from his bank to Starling and then on to his EMI account. When the fraud adviser discussed his concerns that Mr W was being

advised or coached to send funds and investment scams involving a third party getting in touch and offering high returns, Mr W said he was aware of such scams. He went on to say that the EMI account was under his control, and nobody had asked him to make the transfers. Later in the call, Mr W again confirmed that nobody suggested he made the transfers or was advising him in any way. Starling also clarified the source of funds.

Given that Mr W was sending funds to an EMI account in his own name, that he had previously made large payments to, and the plausible answers he provided to Starling's fraud adviser, I don't think Starling ought to have had significant concerns that he was at risk of financial harm from fraud. I recognise Mr W was being coached, but he misled Starling in response to key questions about how funds would be used once they reached his EMI account and whether anyone was helping or advising him. Even though Mr W provided answers that weren't indicative of fraud, the Starling adviser still discussed investment scams and highlighted that alarm bells should ring if there was out of the blue contact, social media involvement and if a company wasn't registered with the FCA. Mr W even misled Starling about the source of the funds that entered his Starling account. He said that an investment had matured, and he was deciding what to do with the funds. The real position was that by the time Mr W had this conversation with Starling he had taken out five separate £25,000 loans with different providers. All the loans were paid into another of Mr W's bank accounts. This shows how much Mr W was under the influence of the scammer.

Like the investigator, I'm not persuaded that if Starling had asked additional questions Mr W would have revealed the real reason why he was making the payments or that the spell would have been broken. He had provided misleading answers to Starling and had also not been honest with a bank or the EMI he sent his funds to.

Overall, whilst I'm sorry to hear about the loss Mr W has suffered and the impact it has had on him, I can't fairly require Starling to reimburse him.

My final decision

For the reasons stated above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 May 2026.

Jay Hadfield
Ombudsman