

## **The complaint**

Mr O complains on behalf of D a limited company about the service received from Starling Bank Limited (“Starling”) in relation to information it requested for its know your customer (KYC) checks. Mr O believes much of the information requested is beyond what is reasonably expected to provide and that Starling has given no justification for requesting such information. Mr O would like Starlings actions and the situation in general investigated.

## **What happened**

From 10 November 2025 Starling contacted Mr O on multiple occasions requesting he provide information about D including full disclosure of all shareholders in D’s company.

Starling explained that the information was required by it to meet regulatory requirements and that it wasn’t able to obtain this or verify it through publicly available sources. Starling also explained that in-line with its terms and conditions if the information wasn’t received it may restrict D’s account or issue notice of closure.

Mr O failed to provide all the information requested and so on 1 December 2025 Starling granted a 90-day extension following which Starling would consider restricting the account or issue notice of closure if the information wasn’t received.

Mr O was unhappy with the information request as he believed it to be disproportionate and unusual within the UK banking sector and placed an unnecessary burden on D and so raised a complaint with Starling about this stating he would not provide the information and that Starling would need to make the decision to close the account.

Starling didn’t uphold Mr O’s complaint explaining that as a regulated bank it has to know certain details about its customers including verifying the ultimate beneficial owners of its business customers and the reasons for transactions in and out of Starlings accounts. It confirmed the 90-day extension it had provided to receive the requested information and that it will only proceed with a closure of D’s account if it doesn’t receive this by 9 March 2026.

Mr O was dissatisfied with this and so brought the complaint to this service. Mr O says there have been no changes to D’s structure in the last five years and feels Starling can get the information requested from other sources and is unhappy Starling have not justified its information requests and wants it to detail the specific regulations it is relying on.

Starling explained that it doesn’t feel it can get all the information it requires from Companies House alone and so that is the reason it is asking for some additional information. Starling maintain that it acted appropriately and in line with its regulatory obligations.

One of our investigator’s looked into Mr O’s concerns and explained that as the complaint was on behalf of D it had to be considered from the company’s perspective and not from Mr O as an individual and as such D can’t be upset by something a bank does wrong and compensated for it.

But even if they could they didn't think that Starling had done anything wrong as it was entitled to request whatever information from D it feels is necessary in order to meet its legal and regulatory obligations and isn't expected or required to provide the specific reasoning behind the requests.

Furthermore, even though Starling hadn't yet applied restrictions to D's account they noted that Starling were within its right to do this if Starling felt it may be in breach of its legal and regulatory obligations if it didn't receive the information requested and this is also allowed for under its terms and conditions.

Mr O remained dissatisfied and doesn't believe the information requested without justification is fair or proportionate and so D's complaint was progressed for an ombudsman's 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 hope that Mr O won't take it as a discourtesy that I've condensed this complaint in the way that I have, I've no doubt about the strength of Mr O's feelings on the matter. But 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 the complaint is about Starling's request for information from D and the lack of justification for it.

I should note here that as we are not the regulator, I don't have the power to tell Starling how it needs to run its business and I can't make Starling change its systems or processes – such as when it is required to conduct due diligence checks or how they are carried out or what information will satisfy these requirements. This is simply not something I can get involved with. Nor can I say what procedures Starling needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role.

That said I don't think it is unreasonable for it to carry out due diligence checks from time to time on customers to ensure it meets regulatory requirements. I appreciate this does cause some administrative inconvenience to Mr O on behalf of D as he does still have a business to run, but I'm sure Mr O understands this is needed not only to protect the banks against criminal activity, but also their customers.

Nor do I think Starling have been unreasonable in the information it asked for such as the disclosure of shareholders certified by a regulated professional. I appreciate Mr O says the information is available in the public domain to Starling and may feel some of the information asked for was unnecessary as it had already been provided and there haven't been any ownership changes.

But businesses are required to hold certain information about their customers which can change over time with regulations, as well as ensure the information is up to date to satisfy itself that it is complying with regulatory obligations. Unless Mr O provides the information to Starling about D it has no way of knowing if the information is correct or to clear up any confusion as only Mr O can confirm this.

I accept there may way be alternative ways or sources for Starling to get the information requested, but Starling are within its right to decide what information it needs and how to

obtain it. And I don't think it's unreasonable that Starling goes directly to the source – in this case D – to request it as this is the most practical way to get this.

And nor do I think it unreasonable that it insists that the information be certified from a regulated professional such as a chartered accountant as this provides independent validation of financial standing and ensures compliance with complex regulations as chartered accountants must also adhere to strict standards and ethical codes.

I understand Mr O wants Starling to justify why it needs this information and point to the regulations that require this. But as our investigator has explained, Starling isn't obliged to offer a reason, indeed, in some cases Starling may well be restricted from providing one. And if Mr O doesn't wish to provide the information Starling has requested and deems necessary to continue providing D with an account, then Mr O is free to consider alternative banking providers.

I appreciate the pressure of a timeframe being imposed to provide the requested information, but it is not just the customer who is under this pressure it is also the bank to ensure it is complying with its regulatory obligations.

So overall I don't think Starling has treated D unreasonably or unfairly when it requested information from it to comply with its regulatory obligations and didn't provide any further justification regarding this.

### **My final decision**

For the reasons I've explained I do not uphold D's complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 15 April 2026.

Caroline Davies  
**Ombudsman**