

The complaint

Mr F complains Starling Bank Limited (“Starling”) declined to refund him the total amount he lost when he fell victim to a visa scam.

Mr F wants Starling to refund him the remainder of his loss plus interest. He also wants Starling to pay him compensation amounting to £5,000 for distress and inconvenience caused.

What happened

I issued a provisional decision in February 2026 to explain why I thought Mr F’s complaint should be partially upheld. And I said I’d consider anything else anyone wanted to give me before proceeding with my final decision.

This is an extract from my provisional decision:

“In December 2023, Mr F made a number of payments totalling £11,575 to someone who purported to be an immigration lawyer. For the purposes of this decision, I will refer to this person as “A”. A said they could help Mr F submit a successful spousal visa application for his wife, who, at the time, was living in Spain. However, A kept asking for more money from Mr F who ended up sending around double the amount that had originally been agreed with A. No successful visa application materialised and Mr F realised he might’ve been the victim of a scam. So, he reported what had happened to him to Starling.

Starling initially declined to offer Mr F a refund of any of the funds lost. It said it thought Mr F’s circumstances mostly likely amounted to a private civil dispute between him and A rather than a scam that it should become involved in now. Mr F didn’t agree and Starling looked into his complaint again. It reiterated that it felt Mr F’s circumstances most likely amounted to a civil dispute with A. However, as it had not contacted the receiving bank as quickly as it should’ve done, it offered Mr F a refund of 50% of his overall loss amounting to £5,992.67 plus 8% simple interest and £150 in compensation.

Unhappy with this outcome, Mr F brought his complaint to this service where one of our investigators looked into things. Our investigator didn’t uphold the complaint. They said they also thought it was more likely than not that Mr F’s circumstances amounted to a civil dispute with A rather than a scam and because of this, Starling’s offer of 50% of Mr F’s overall loss was fair and reasonable. Mr F did not agree so the complaint was passed to me for a decision.

I reviewed all of the evidence and arguments and I was persuaded Mr F had most likely been the victim of an APP scam. So, I wrote to Mr F and Starling to say I would most likely be upholding the complaint and recommending Starling refund Mr F the remainder of his loss plus 8% simple interest from the date his claim was declined to the date of settlement.

Starling did not respond but Mr F did. He said he didn't think the recommended redress was fair. He said it failed to take into account the human cost of him being deprived of his funds – without these funds, his wife had been unable to submit a genuine visa application. This in turn meant Mr F and his wife had to live apart for over a year during a period where she was unwell and had threatened to harm herself. He went on to say that Starling declining to refund the total amount lost had stopped both he and his wife living a full family life and he believed Starling should compensate him for this. Mr F referred to case studies from this services' website which he felt supported that an award of £5,000 would be reasonable.

As an informal agreement has not been reached and additional arguments put forward, I have proceeded with my provisional decision.

What I've provisionally 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 in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Having done so, I'm not currently minded to agree with the outcome reached by the investigator. I'm not persuaded Mr F's circumstances most likely amount to a civil dispute between him and A. I'm satisfied Mr F has been the victim of an APP scam. Because of this, I'm satisfied that the provisions of the Lending Standards Boards' Contingent Reimbursement Model Code ("the CRM Code") are applicable to the payments Mr F made. I'm also satisfied Mr F should've been considered vulnerable under The Code and therefore Starling should now refund him the remaining 50% of his loss, plus 8% simple interest, calculated from the date his claim was partially declined to the date of settlement. However, I'm not persuaded that it would be fair and reasonable to require Starling to pay Mr F additional compensation amounting to £5,000 on top of this. I'll explain why in more detail below.

Does the evidence show Mr F has fallen victim to an APP scam?

Starling is a signatory of the Lending Standards Contingent Reimbursement Model Code ("The CRM Code") which requires firms to reimburse customers who have been the victims of APP scams in all but a limited number of circumstances. The relevant part of the CRM Code definition of an APP scam requires that the payment be made to:

"another person for what they believed were legitimate purposes but which were in fact fraudulent."

The Code also explains that it does not apply to:

"private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

So, in order to determine whether the CRM Code's definition of an APP scam applies to Mr F's payments, I've considered the purpose for which Mr F made the payments and the purpose A most likely received those payments. And, if there is a significant difference in

these purposes, whether I can be satisfied that this difference was a result of dishonest deception.

It is not in dispute that Mr F made the payments with the intention of paying A for legal advice and support in regard to a spousal visa application and for paying for the visa application itself. So, I've gone on to consider what purpose A most likely had in mind when he received Mr F's payments and whether that purpose was in line with the purpose Mr F had in mind. Specifically, I have taken into account the following:

- A led Mr F to believe he was a qualified immigration lawyer when in fact he wasn't qualified to provide immigration advice in the UK.*
- There have been a number of allegations about A deliberately targeting vulnerable people in his local community and obtaining money from them to resolve immigration issues and then not providing the services paid for. There is therefore a pattern of this person targeting people in vulnerable positions.*
- Whilst I cannot disclose in-depth information about how A used Mr F's funds, there is no evidence that supports A used any of them to pay for a visa application or any other related costs.*
- I haven't seen any evidence that persuades me that the scammer genuinely applied for a visa on behalf of Mr F's wife – as Mr F was told. I haven't seen evidence of any payments made in line with this purpose or any evidence that supports a visa application was submitted. The screenshots Mr F was provided with are of partially completed individual pages of an online form which is readily available online and which can be edited without submitting an application or making payment. I'm also not persuaded that the emails sent to by A to Mr F which are supposedly from a UK based government department are genuine – the figures quoted in them are in USD when any genuine visa application would be paid for in pounds sterling and refunded, if necessary, in pounds sterling.*

In summary, there is little evidence that A used or intended to use Mr F's funds for the purpose agreed. Instead, the available information suggests that Mr F's funds were obtained through dishonest deception. Because of this, I am satisfied that Mr F's payments to A meet the CRM Code's definition of an APP scam. It follows that I'm satisfied the provisions of the CRM Code apply.

Is Mr F entitled to a full refund under the provisions of the CRM Code?

In its final response letter Starling offered to refund Mr F 50% of his overall loss plus 8% simple interest. It also offered him £150 in compensation for poor service. Starling has said it made this offer on the basis that didn't contact the receiving bank as quickly as it should've done.

As I'm now satisfied Mr F has been the victim of an APP scam and the provisions of the CRM Code apply, the next thing for me to consider is whether Mr F should've been offered a full refund under The Code or whether the offer already put forward is fair and reasonable. Having considered all of the evidence and arguments available, I'm satisfied Mr F is entitled to a full refund under the provisions of the CRM Code.

Overall, I'm satisfied Mr F had a reasonable basis for believing that the agreement he entered into with A was legitimate and I understand why he believed A could genuinely provide the service he was offering. Regardless, I'm also persuaded Mr F should've been considered vulnerable to the particular scam that took place and that this means he is now due a full refund under the provisions of the CRM Code. I'll explain why in more detail below.

Vulnerability under the CRM Code

Section R2(3) of The Code requires firms to assess whether a customer is vulnerable to the APP scam they fell victim to. It says:

“A Customer is vulnerable to APP scams if it would not be reasonable to expect that Customer to have protected themselves, at the time of becoming victim of an APP scam, against that particular APP scam, to the extent of the impact they suffered. This should be assessed on a case-by-case basis.”

The CRM Code also says that in these circumstances, the customer should be reimbursed notwithstanding the provisions in R2(1), and whether or not the firm had previously identified the customer as vulnerable. And so, I need to consider whether it would've been reasonable, at the time, to have expected Mr F to have protected himself from this particular APP scam. And in the particular circumstances of this complaint, I don't think it was.

I say this because it's clear Mr F and his wife were in a difficult and emotional situation at the time the scam payments were made. Mr F's wife was living in Spain after her Portuguese visa had expired. She wasn't able to come to the UK without a spousal visa. Mr F had been forced to stay in the UK as his mother was severely unwell. So, at the point Mr F began engaging with A, he had been living apart from his wife for a number of months whilst dealing with a severely ill parent. On top of this, his wife was suffering from depression and had indicated she may harm herself. Mr F therefore found himself in a difficult and highly emotive situation. It seems that he believed the only way to resolve the situation was to employ an immigration lawyer who could help him arrange his wife's spousal visa as soon as possible and, in his desperation to get the situation resolved in the quickest possible timeframe, he became vulnerable to what the A told him. I believe A preyed on this desperation and the situation Mr F found himself in in order to obtain Mr F's funds and Mr F was unable to protect himself as a non-vulnerable person might've done.

So, for all of the above reasons, I am currently minded to say Mr F is due a full refund under the provisions of the CRM Code due to being vulnerable to this particular APP scam. I'm therefore satisfied that the starting point for any redress recommendation is that Starling should refund Mr F the remainder of his loss plus 8% simple interest calculated per annum from the date his claim was partially declined under the Code until the date of settlement.

Additional compensation for distress and inconvenience

Starling has already offered to pay Mr F £150 in compensation for poor service. Mr F doesn't think this is enough. He thinks Starling should pay him an additional £5,000 as he believes Starling's actions, in declining to refund him the total amount lost to the scam when he first made his claim, have compounded the distress initially caused by the actions of the scammer and meant that he and his wife have been forced to live apart for significantly longer than necessary.

I've carefully considered what Mr F has said. I've also taken into consideration the examples of distress and inconvenience payments Mr F pointed to on this services website. Having done so, I'm not persuaded it would be fair or reasonable to ask Starling to pay Mr F any further compensation, over and above the £150 it has already offered to pay. I know that this will be disappointing for Mr F, so I'll explain why.

The role of this service is not to apply punitive measures and our awards for compensation are modest in nature. In cases that involve fraud or a scam, it is recognised that, in the main, the loss of the funds and the harm caused by this are due to the cruel and callous actions of

the scammer, not the bank. I understand that in this case, Mr F feels Starling compounded this distress. However, in order for me to recommend any additional compensation, I'd need to be satisfied that it was Starling's decision to not refund Mr F's total loss that was the cause of Mr F not being able to submit a genuine (and successful) visa application on behalf of his wife. And I'm not persuaded that I can fairly and reasonably say that here.

Starling refunded Mr F 50% of his overall loss at the point he made his scam claim and I haven't seen any evidence that supports Mr F couldn't have used these funds to submit a genuine visa application. Regardless, I haven't seen any evidence that supports a genuine application would've been successful had Mr F had access to the funds I am now recommending be returned to him. So, whilst I recognise that Mr F has been without his funds for an extended period of time, I am not persuaded that it is Starling's error that has caused Mr F's current living situation. Even if the funds had been returned at point of claim, there is no evidence to support that a successful visa application could've been submitted. There are many reasons why a visa application may be denied. It is impossible to now say whether any such application would've been possible or successful had Starling refunded Mr F in full.

So, while I recognise that Mr F is rightly upset and angry about what has happened, I don't think an award of additional compensation would be reasonable given the particular circumstances of this case."

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'm minded to reach the same overall conclusion as I reached in my provisional decision. I'll explain why.

Starling did not respond to my provisional decision. Mr F did. He said that whilst he disagreed with some of the points made in the decision, he wished to accept it. He requested that his points of disagreement be added to his complaint file.

Mr F's further points have now been added to his complaint file. And as neither party has put forward any new evidence or arguments for me to consider before reaching my final decision, I see no reason to depart from the conclusions I reached in my provisional decision.

Putting things right

Starling should now refund Mr F his total outstanding loss plus 8% simple interest to compensate him for the amount of time he has been without his funds - calculated from the date his claim was partially declined to the date of settlement.

I don't direct Starling to pay any more compensation than the amount already offered - £150.

*If Starling considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr F how much it's taken off. It should also give Mr F a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint and direct Starling Bank Limited to pay Mr F the redress set out above, within 28 days of his acceptance of this decision.

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

Emly Hanley Hayes
Ombudsman