

The complaint

Mr K complains about Starling Bank Limited after he requested a payment from his account with them.

What happened

In June 2025, Mr K received notification from Starling of a savings account they offered, so Mr K promptly opened one, and transferred in a significant sum to benefit from the interest rate being offered.

At the end of July 2025, Mr K requested from his Starling account to transfer £665,000 to another bank. Late that afternoon, Mr K chased Starling via their chat facility in an effort to ensure the funds left his account that day as it was to be invested in a high-interest rate account with the other provider. Starling found the payment, questioned Mr K about it but said for security reasons, it would need to be reviewed by their payments team who close at 5pm, and Mr K would need to wait to be contacted. The payment was not processed until the next working day, meaning that Mr K's funds missed out on a day's credit interest with the other provider. Unhappy, Mr K logged a complaint with Starling, and around the same time, logged another complaint about a separate, disputed transaction.

Within Mr K's complaints, in addition to the payment issue, he also expressed unhappiness about the quality of the chat he had with them, the inadequacy of the notifications within the app when making payments, and the timing of, and overall customer notification policy of Starling around accounts they offer. Finally, Mr K asked for a goodwill gesture towards his poor experience and a refund of the interest he had lost out on.

Starling dealt with the complaint regarding the disputed transaction separately. Regarding the payment and other aspects, Starling upheld the aspects around the quality of the chat conversation, saying it was not at an appropriate level, awarding £50 as compensation. Starling didn't uphold the other aspects saying they related to internal processes and Terms & Conditions (T&C), and sent Mr K a final response letter confirming.

Dissatisfied, Mr K brought his complaint to our service.

Our investigator looked into it and did uphold certain elements of Starling's customer service, namely incorrect information given within the chat, the abrupt ending of the chat, Starling's failure to address all complaint points, and the resultant distress caused to Mr K.

Accordingly, our investigator thought the £50 Starling initially awarded should be increased to £150, that a written apology should be provided, but did not think it reasonable that Starling should reimburse any credit interest.

Starling agreed with our investigator's outcome and recommendation, but Mr K did not, saying the £150 should be increased to £300, and the one day's credit interest should be reimbursed which is an amount of £122.06. Our investigator attempted mediation with Starling but without success, so it was agreed that an Ombudsman review the complaint.

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've considered in detail, all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I was sorry to hear that a straightforward money transfer has resulted in a prolonged complaint.

As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances of the complaint as a whole.

Firstly, an aspect I wanted to cover, which I note that Mr K does accept, is that it's right for Starling to have security measures and procedures in place to safeguard customers' accounts and prevent fraud so far as possible. I consider it was reasonable for Starling to make additional checks and investigate further here, especially in light of the amount; and I find that it was entitled to hold the payment. I'm satisfied that Starling was following a standard procedure here and I think it was reasonable for it to do so, and I don't think it treated Mr K unfairly.

I can understand that the experience was frustrating for Mr K but unfortunately, it's in the nature of checks like this that they do sometimes cause customers inconvenience. But the checks are in place to protect customers and, in the circumstances here, I don't think Starling's approach was unreasonable.

This brings me to Mr K's concerns about the information he was presented with in the app which mentioned 2 hours, when he made the payment, and the availability of the payment team. After review, I find the app information sufficient when combined with further information contained within Starling's T&Cs. I know Mr K considers this combination unfair and lacking transparency but in view of the amount of the payment, and the importance of its dispatch, I regard it reasonable that Mr K or any customer would have taken the opportunity to understand Starling's payment policy, or perhaps request and make contact with Starling earlier than he did on the day.

It would follow therefore, that I agree with our investigator that asking Starling to pay a day's interest would not be fair, especially as there was no guarantee given to Mr K that the payment would be made same day.

Moving to the service that Starling provided to Mr K within the chat, I'm pleased to see that Starling have admitted the agent's communication was not at an appropriate level, and that the mention of potentially expediting the payment was misleading and caused frustration. And I would hope that Starling's review of the chat will result in learning points they can take forward.

I've looked over what has been said about Starling's policy of informing customers about their products, and it's clear Mr K feels strongly about the criteria Starling use, and the timing of their customer communication. But Starling like any financial institution is entitled to design and implement regulator-approved processes, regardless of whether they meet Mr K's standards. And as those processes would be regarded as commercially sensitive, I wouldn't expect Starling to divulge information about them. I'd also like to add that as

Starling have said, they advertise all their accounts within their website to which Mr K had access.

Regarding compensation, I am pleased to see that Starling accepted our investigator's suggestion of increasing the compensation figure to £150. And after examining the evidence and testimony from both Mr K and Starling, I'm persuaded that figure is commensurate with the circumstances of this complaint. While I have no doubt Mr K will be unhappy with my decision, taking everything into account, I won't be requiring Starling to reconsider the compensation figure.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld, and I require Starling Bank Limited to ensure it pays Mr K a total of £150 in compensation, if they have not already done so.

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

Chris Blamires
Ombudsman