

The complaint

Mr B is unhappy that Starling Bank Limited (“Starling”) won’t refund £2,078 he says he sent to purchase a designer jacket online.

What happened

On 2 April 2023, Mr B made a payment to purchase a designer jacket (I will refer to the designer as designer M). He says the item was supposed to arrive the following day. On 16 April 2023 Mr B raised a claim with Starling. He said the item hadn’t arrived and the seller, who was a good friend from school, had told him the package must have been lost in transit. Starling felt that Mr B had sent money to someone he knew and had previously made a payment to, so considered it a private dispute between Mr B and the seller.

Mr B told us that the person he bought the jacket from wasn’t his friend after all – only someone with the same name. He also provided us with pictures of the jacket he’d purchased which was a jacket by a designer - I will refer to as D.

Our investigator considered it was a scam but didn’t think Mr B had a reasonable basis for belief as he didn’t view the item in person or request more pictures to verify the jacket was real. He also felt it would be reasonable to request proof of postage.

Mr B then provided a picture he says the seller had sent him when he shipped the item – as proof of purchase. The picture showed the wrong address. The investigator concluded the picture Mr B sent was a package sent from Mr B’s home address in July – so did not tie in with the disputed transaction. Mr B said he had accidentally sent the wrong picture and sent us a second picture. Mr B said when he confronted the seller about the wrong address and name on the package, the seller blocked him.

I issued my provisional decision on 16 November 2023 explaining why I was reaching the same overall outcome as the investigator but for different reasons. Neither Mr B nor Starling replied.

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.

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. For completeness, I have set this out below.

It's important to highlight that with cases like this I can't know for certain what has happened. So, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances. Having carefully considered the evidence I consider Starling acted reasonably in declining Mr B's claim: I've taken into account the following:

When Mr B first reported the disputed transaction to Starling, he said he purchased a jacket by designer M from a friend (I will refer to as C). He said he'd known C since secondary school (since year seven) and C was a 'good friend' of his. He also said the transaction wasn't fraudulent and it wasn't a scam because he knew the person. This was repeated during the initial call on more than one occasion. So, I don't think Starling was unfair or unreasonable when it declined Mr B's claim as a civil matter.

This differs significantly from what Mr B has now told us. Since he reported the matter to Starling, Mr B says he's discovered this was not his friend C but someone with the same name.

During the initial call with Starling on 16 April 2023 Mr B said that he had called and texted C following the item not arriving. I find it odd that Mr B hadn't realised that it wasn't his friend from school having spoken to the person impersonating C.

The surname for C, as listed on the transaction history, was unusual. So, if this was not the C Mr B knew from school, I think he ought reasonably to have realised this by the time he reported the matter to Starling.

The previous payment Mr B made to C was referenced 'happy birthday'. I have listened to Mr B's explanation that this was for a raffle for an iPhone but on balance I think it's more likely than not that the previous payment was to someone he knew. And this ties in with the original version of events that Mr B knew C.

There are other inconsistencies in what Mr B has told us. For example - the designer of the jacket has changed from designer M to designer D. There are also the pictures Mr B sent in response to the view – where there have been further inconsistencies.

Overall, I am not persuaded with Mr B's explanations of what's happened given the significant changes in testimony. I think the original explanation Mr B gave in the call to Starling on 16 April 2023 is more likely than what has been said subsequently. And on this basis, I can't safely conclude that Mr B has been a victim of a scam. So, I am not asking Starling to do anything.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 January 2024.

Kathryn Milne
Ombudsman