

The complaint

Mr I has complained Starling Bank Limited added a marker against his name to the industry fraud database, CIFAS and closed his account.

What happened

Starling contacted Mr I in February 2023 to query a payment he'd received into his account. This was for £2,031.82. Mr I confirmed he didn't know anything about this payment.

On further questioning Mr I confirmed his cousin occasionally used his account and had got this payment made into Mr I's account, and then payments made to other accounts had been his actions as well.

As Starling knew the money into Mr I's account had been transferred as the result of a malicious scam, they decided to close his account and added a fraud-related marker against his record. They felt the evidence they'd seen indicated Mr I was aware of what had happened and been involved.

Mr I brought his complaint to the ombudsman service. He also presented evidence – texts from his cousin – confirming Mr I hadn't been aware of what was going on.

Our investigator felt the evidence showing payments immediately after the fraudulent money went into Mr I's account demonstrated his involvement. She wasn't going to ask Starling to do anything further.

Mr I continued to protest. He's asked an ombudsman to consider his 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

It is clear what the requirements are prior to lodging a marker. Specifically:

“There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted.

The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police.”

So Starling must be able to provide clear evidence that a financial crime was being committed and Mr I was involved.

I've seen the evidence about the funds paid into Mr I's account. These were the result of someone being scammed. There's no doubt this money wasn't his.

However within five minutes of the money being received, money was withdrawn at a cash machine and payments were sent to people that Mr I had previously paid before. Money was also sent to his account held at another bank. Further cash withdrawals were then made.

Mr I told us the people who received over £750 and £400 were people he no longer knew. But I don't believe this to be the case. Payments were made to both individuals on 3 and 6 February 2023 just days before the much larger payments were made. So it seems to me they were very much in contact at the time.

Mr I has said his cousin had access to his card and phone at this time but I'm not convinced by this. These transactions weren't happening in the middle of the night. I'd be surprised if Mr I was willing to be without his phone for this period of time.

There are indications from Mr I's statement that he made payments to and from his cousin so I don't see why his cousin would need to use Mr I's account when he obviously had one of his own

I've seen Mr I's evidence that his cousin had access to his account and admitted this was all his fault. However none of this evidence is dated or something that couldn't be constructed after the event..

Overall I'm satisfied that Starling had sufficient clear evidence to lodge the CIFAS marker and close Mr I's account.

My final decision

For the reasons given, my final decision is not to uphold Mr I's complaint against Starling Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 6 October 2023.

Sandra Quinn
Ombudsman