

The complaint

Mr and Mrs C complain that Starling Bank Limited issued them with a warning message about the way their account was being used.

What happened

Mr and Mrs C held a joint personal current account with Starling. In January 2023, Starling sent them a message saying that their account usage fell outside the intended use of the account. Unhappy about the message, they complained to Starling.

Starling ultimately said that its personal current accounts are intended for typical day-to-day use - for example, salary, shopping and leisure expenditure. But its review of Mr and Mrs C's account had highlighted that their account was being used to move money to and from other accounts to take advantage of rewards other banks were offering. It said this type of activity fell outside the intended day-to-day use of the account. And the high volume of transfers triggered the security features it had in place, hence, the message it sent. Starling asked Mr and Mrs C to cease the type of transactions they had been undertaking.

Unhappy with the response Mr and Mrs C referred their complaint to this service. Our investigator looked into the matter but didn't uphold the complaint. He said the personal account terms and conditions say that there are payment limits. So, he didn't think Starling had done anything wrong when it issued Mr and Mrs C an account usage warning.

Mr and Mrs C didn't accept this outcome. They said the investigator hadn't considered a question it had raised with Starling, and that they had changed the way they used the account to accommodate Starling's warnings. They also said the investigator had relied on terms and conditions which were issued after the events in this complaint happened.

The investigator didn't think this altered the outcome he had reached. He also supplied Mr and Mrs C with the applicable account terms and conditions which he had relied on. As this didn't resolve the matter, the complaint has been passed to me to decide.

Mr and Mrs C have raised other complaints about Starling which have been dealt with separately. For clarity this decision solely relates to account usage warning sent to Mr and Mrs C. I make no findings on any other complaints Mr and Mrs C have raised.

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 overall conclusion as our investigator. I can see that Mr and Mrs C feel strongly about their complaint as they don't feel they have done anything

wrong. And I appreciate they will be disappointed. So, I'll explain why - focusing on the key issues relevant to the decision I have reached.

I can see that there was some confusion as to why Mr and Mrs C account usage was flagged as an issue in the first instance. Mr and Mrs C were told it related to the payee display name used on the transaction. But I've seen that Starling explained in its formal response to the complaint that it was the type and number of the transactions being made that had triggered the account warning.

In regard to this, the terms and conditions relevant to Mr and Mrs C's complaint say:

Individual Payment Transaction Limit

Payments from your Personal Current Account are subject to limits and restrictions we set from time to time, such as to the maximum amounts you can send on: (i) an individual payment basis; and/or (ii) a daily or other periodic basis.

I find that the terms and conditions are clear in that Mr and Mrs C's account had some restrictions in place regarding the amount and number of transactions that could be made.

I've considered the account usage on Mr and Mrs C's account by reviewing their account statements. Having done so, I'm satisfied there was a significant number of transactions being made on a very regular basis. And it's not in dispute that the transactions going in and out of the account were undertaken to benefit from rewards held on accounts with other banks. So, I'm also satisfied that the transactions don't reflect the normal day-to-day usage of a personal current account. In light of this, I'm not persuaded that that Starling acted unfairly or unreasonably when it issued a warning about the account usage to Mr and Mrs C.

I can see that there was a reduction in the number of transactions on the account in March 2023. But this was after Mr and Mrs C complained, the subsequent reduced account activity doesn't impact on the outcome of the complaint about the warning Mr and Mrs C received relating to transactions undertaken before Mr and Mrs C raised their complaint.

I appreciate that Mr and Mrs C find the limitations of the account unsuitable for their requirements. But it's not for this service to tell a bank how to run its business. I can decide if Starling treated Mr and Mrs C unfairly. But for the reasons given above, I don't find that it did. So, I'm not going to ask Starling to take any further action in respect of this complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 14 November 2023.

Sandra Greene Ombudsman