

The complaint

Mr A complains that Starling Bank Limited (“Starling”) unfairly lodged a fraud prevention marker against him after an account was opened in his name without his knowledge.

What happened

What Mr A says

Mr A said he was unaware a bank account had been opened in his name and that Starling had lodged a CIFAS marker against him based on the account activity. CIFAS are a fraud prevention agency. Mr A denied knowing about the account and says that the marker has caused him difficulty when trying to obtain other financial products. Mr A complained to Starling, but they didn’t remove the marker and he then brought his complaint to the Financial Ombudsman Service for an independent review.

What Starling say

Starling opened a bank account in Mr A’s name after completing an account application process from him. Part of that process was to obtain identification in the form of a recognised document, such as a passport and accompanied by a “selfie” taken at the time to confirm the passport was linked to the applicant. Other details including email address were registered on the account.

The account was opened less than two months and initially it received funds from another bank with Mr A’s name. The account was used to make normal purchases until about three weeks after opening, it received a £1,500 payment which Starling were later advised (by another bank) was the result of a scam. Most of those funds from the scam were used within about a day.

Starling sent Mr A an email and asked him what the funds were for. They received a response that the transfer was for selling a car and Mr A asked them what evidence was required. Starling told Mr A they needed evidence of the car sale such as the V5 (ownership document). Nothing further was heard from Mr A and Starling subsequently closed his account and lodged a marker against him with CIFAS.

The investigation so far

Mr A’s complaint was assigned to an adjudicator who asked both parties for any evidence they held. Mr A was asked to provide a copy of his passport to check against the ones that Starling held. To date, Mr A hasn’t provided a copy despite being sent a reminder.

Starling supplied details of the account opening information, the registered email address Mr A gave them and copies of the statement for the account.

After reviewing the evidence, the adjudicator didn’t uphold Mr A’s complaint, commenting that:

- The evidence shows the account was likely opened by Mr A.
- Starling had reasonable grounds to suspect a financial crime had been committed.
- They received information concerning a scam carried out on a customer of a different bank that sent funds to Mr A's account.
- The same email address was registered with Starling and our service.
- An email response from Mr A said that the funds were from a car sale, but no evidence was provided by him.
- Mr A didn't send a copy of his passport to the adjudicator despite being reminded.
- Mr A's version of events wasn't plausible.
- It's more likely than not that he was aware of the source of the funds.

Mr A disagreed and commented that:

- He was the victim of a scam.
- He didn't have any knowledge of the account.
- He didn't write or receive any emails.
- He didn't receive any payment.

As no agreement could be reached between the parties, the complaint has now been passed to me for a decision.

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.

Mr A has taken the position that he was unaware of the account and knew nothing of the payments into and out of it.

The account opening process included the provision (by the applicant) of certain identity documents. Starling received a copy of a passport in Mr A's name and a "selfie" which satisfied their process. They were also supplied with an email address which they later used to send messages to Mr A. Replies were received from this email address which is the same one used to register his complaint with our service. I also thought it was noteworthy that Mr A failed to supply a copy of his passport to our service, despite being asked repeatedly to do so. Based on the available evidence, I think it's more likely than not that Mr A was responsible for opening the account and its subsequent operation.

When Starling lodged a fraud prevention marker against Mr A, they did this based on a requirement to meet certain standards of evidence laid down by CIFAS. The detail about those standards was comprehensively set out in the adjudicator's report, so I won't repeat them here.

Essentially, Starling has to have evidence that a financial fraud/crime has occurred. This was satisfied when they received the report from the sending bank giving details of a scam

perpetrated against their customer.

The second part that Starling had to satisfy was that the evidence was clear, relevant, and rigorous. Starling asked Mr A about the payment and received a reply that it was from a car sale. Their attempts to get evidence (such as the V5) was unsuccessful, even after several reminders. Given that the same email was used to register the bank account and the complaint, I think it's reasonable to conclude that Mr A had control of that email address and was communicating with Starling. He offered no plausible explanation for the incoming funds from a scam. The bulk of those funds were then sent to another account.

I think, based on the report they received from the sending bank and the evidence they had of the account opening, including Mr A's response about a car sale (which he couldn't substantiate), that Starling had enough evidence to lodge the marker against him.

Based on the available evidence, I won't be upholding this complaint.

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 A to accept or reject my decision before 30 January 2024.

David Perry
Ombudsman