

## **The complaint**

H complains Starling Bank Limited (“Starling”) closed their account without warning nor explanation.

To put things right, H wants compensation for the inconvenience they’ve been caused, interruption to its business, and the account reopened.

## **What happened**

In February 2023, Starling sent H an email notifying them that it had decided to close their account in 30 days’ time. H say they never received this email.

The email said that any residual balance should be withdrawn before the account closes in March 2023, and if it isn’t the funds will be donated to a Starling bank charity account.

H say it only found out about the account being closed once it had been closed in March 2023 when they tried to access the online banking function. Unhappy with Starling’s actions, H complained.

In its final response, and in summary, Starling said:

- Starling notified H of its decision to close H’s account on 6 February 2023. And Starling doesn’t have to explain further why it decided to close the account
- The account has been closed in line with the terms and conditions of the account
- As the balance of 74pence was not claimed by H before the account was closed, it was sent to a charity as informed in the notification of closure communication

H referred their complaint to this service. One of our Investigator’s looked into H’s complaint. They recommended it not be upheld. In short, the key findings they made were:

- Starling closed the account in line with its terms and conditions and it doesn’t need to give an explanation
- H was told what would happen to its remaining balance, and the money being sent to a charity in this way is also covered in the terms and conditions of account

H did not agree with what our Investigator said. They re-emphasised that a reason for the closure must be given. They also question if there was an error with the address the closure notice was sent to.

Our Investigator explained that the notice to close the account was sent electronically to H and not by mail. And Starling have shown a SMS message was also sent. They also told H that they knew why Starling decided to close their account, but the information was provided in confidence.

As there is no agreement, this complaint has now been passed to me to decide.

## **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 decided to not uphold this complaint. I'll explain why.

Banks in the UK, like Starling, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Having carefully reviewed the information Starling has provided, I'm satisfied it reviewed H's account in line with its obligations.

Starling is entitled to close an account just as a customer may close an account with it. But before Starling closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Starling and H had to comply with, say that it could close the account by giving them at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Starling gave H 30 days' notice. Having carefully considered the evidence I've been provided I'm satisfied Starling acted in line with the terms and conditions of the account in closing the account in the way it has.

H was sent notification by email, and I've seen evidence an SMS message was sent to. I haven't seen compelling evidence that H didn't receive these communications. But even if it didn't, given Starling's concerns, I don't think it would have made any difference as the closure would still have remained fair.

I know H would like a detailed explanation as to why Starling took the actions it did. But Starling is under no obligation to do so.

I would also add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Starling has provided is information we consider should be kept confidential.

H says this matter has caused them financial loss due to business interruption. They also say it has caused inconvenience. I do appreciate this matter would've caused him some difficulty. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Starling given I don't think it's done anything wrong in closing, and communicating, the closure of the account.

So I'm not going to ask Starling to compensate H for any financial loss or inconvenience this may have caused.

Lastly, H says it's not concerned the 74pence balance has been sent to a charity. So I don't need to comment on this.

## **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 26 February 2024.

Ketan Nagla  
**Ombudsman**