

The complaint

Mr D complains that Starling Bank Limited delayed crediting his account with incoming funds and gave incorrect information which led to embarrassment and financial loss for him.

What happened

Mr D transferred a large sum of money in Euros from an account of his overseas to his Starling UK account where it was converted to Sterling. The funds did not appear on Mr D's Starling UK account when he expected them to and so he spoke with Starling. Over the course of nearly three weeks Mr D didn't know where his money was. Starling told Mr D to contact his bank overseas to see where the money was because it didn't know. But then, on 2 June 2023, the money was credited to Mr D. It turned out the money had been with Starling all the time, but it hadn't been credited because of security checks taking place. Mr D wasn't happy and complained to Starling citing the main reasons for dissatisfaction as: -

- His payment had taken longer to reach his account than usual
- He couldn't access the funds when he needed them for medical treatment
- He wasn't happy with the exchange rate applied
- Starling hadn't been transparent in its dealings leading to relationship issues between Mr S and his overseas bank
- Starling's service had been below expectations leading to Mr D requesting a Subject Access Request
- Starling didn't provide a foreign exchange receipt

In response to his complaint, Starling sent Mr D a final response letter dated 8 June 2023. In it, Starling accepted that there had been shortcomings in its service and awarded Mr D compensation of £500. In addition, it clarified that the exchange rate of 0.84235 was that on 2 June 2023 - the date the funds were applied to Mr D's account. But the rate on the day the funds were received – 11 May 2023, was higher at 0.85225. So, Starling recalculated the sterling equivalent and it led to a further payment of £266.77. Starling apologised for the inconvenience. Mr D remained unhappy and brought his complaint to this service.

In an email on 30 August 2023, Mr D confirmed his complaint as

- Starling had his funds all the time and told him it didn't, asking him to chase his overseas bank for the funds
- Starling didn't compensate for the time he'd spent chasing the whereabouts of the funds
- The spot rate is not provided for the transaction
- The funds were needed for medical and personal reasons and Starling wanted proof.

I've gone into more detail here on what the complaint was as it needs to be clear which issues I'm commenting and deciding on. I can only make a decision on complaint points which have been referred to the business and on which it's had the opportunity to comment.

Mr D's complaint was allocated to one of our investigators who, after considering all the evidence, told Mr D that they didn't think Starling needed to do anything more. In summary, they said Starling had accepted the shortcomings in its service and had compensated him appropriately. They also said that the exchange rate information was available to Mr D on his mobile app. Mr D disagreed with the investigator's opinion and detailed the reasons for his disagreement in an email of 13 November 2023. Mr D also requested that his case be reviewed by an ombudsman. So, it's 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.

Mr D has sent detailed notes and comments on his complaint, and I thank him for the time and effort he's taken in doing this. So, I hope he won't take it as a discourtesy that I won't be commenting on every point and referring to each piece of evidence. But I would like to reassure Mr D that I've read and considered all that he's sent in.

Whilst I appreciate this will come as a disappointment to Mr D, I'm not upholding his complaint and so won't be asking Starling Bank Limited to do anything further. I'll explain why.

I consider that this complaint broadly breaks down into two broad categories

- Customer service
- The exchange rate used for the transaction

Customer service

Starling accepted in its final response letter of 8 June that its service hadn't been as it'd want it to be and said, "I am upholding your complaint due to the service provided by Starling, and for the delay and lack of transparency regarding your incoming payment". As such, I don't find that I need to decide whether Starling offered poor service or not – that's been accepted. But what I do need to decide is whether the compensation Starling awarded of £500 is sufficient to cover Mr D's distress and inconvenience.

Mr D had told Starling that he'd needed the money to pay for medical treatment and because of its failing, he'd missed the window for surgery. He also told Starling that he was in the process of seeking legal action against his overseas bank and that his relationship had been severely impaired. Starling asked Mr D to provide evidence of any costs he'd incurred so it could consider reimbursement. Mr D felt this was overly intrusive and refused to provide the information. I don't think Starling treated Mr D unfairly or unreasonably in asking for evidence. It seems to me that if a customer has said costs have been incurred and wants a business to reimburse those costs, the customer should be willing to provide the evidence. Mr D chose not to and so I think Starling were justified in not making any payment towards costs. In respect of the award of £500, Mr D says he endured a month of misery. I don't doubt that not knowing the whereabouts of a significant sum of money and being passed between his two banks did cause worry and upset. But our role is not to punish a business for getting something wrong – it's to compensate for the trouble and upset actually caused. In this case, I think £500 is sufficient compensation and so I won't be asking Starling to pay anything further.

Exchange rate

I can see from the evidence that's been supplied that the initial credit applied to Mr D's account used an exchange rate of 0.84235 Euros to Pounds Sterling. This rate was the one which applied on 2 June 2023 (the date the credit was applied to the account). But, on the date the money arrived with Starling Bank (11 May 2023), the rate was 0.85225 Euros to Pounds Sterling. Starling accepted that the rate should've been 0.85225 and credited Mr D's account with further funds. I think it was right to do this and don't need it to do anymore.

But Mr D says he wants Starling to provide the spot rate and send him a foreign exchange receipt. I don't agree that Starling must provide a spot price. If Mr D wants to find out what general rates were on the day, then he is of course free to do so. And if he then thinks Starling's rate is out of line, he can complain to Starling about that. And we've been told that the information regarding the received payment is available on the app and so I believe Mr D has access to this.

Having considered all the above, I don't find that Starling Bank Limited has treated Mr D unfairly or unreasonably and so I'm not asking them to do anything further in respect of this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 09 August 2024.

Stephen Farmer
Ombudsman