

## **The complaint**

Mr T complains that Starling Bank Limited won't accept an incoming payment.

## **What happened**

Mr T holds a large amount of money in an account with a cryptocurrency exchange (B) and he wanted to withdraw his money from this account and pay it into his Starling account. He didn't foresee there being any issue with this as he had made similar payments in the past. But in December 2023, after some issues with B – he went to try and pay the money from his account with B into his Starling account only to find that he couldn't do this.

When he asked Starling about this, it said that it did not support cryptocurrency transfers and so had declined the payment. Mr T was unhappy with this and complained to Starling, but it didn't change its position. It said that it considers cryptocurrency activity to be high risk and has made a decision to prevent all card payments to cryptocurrency merchants and has restricted outgoing and incoming transfers for the same reasons.

Mr T was unhappy with this and brought his complaint to this service where one of our investigators looked into it. Our investigator attempted to see if there was any way that Starling could help Mr T receive this payment, but Starling maintained that it would not be willing to do that here based on the risks involved. Our investigator didn't think that was an unfair position for Starling to take. They said that Starling was entitled to make the decision not to accept the payment from B and had done so fairly. They acknowledged that Starling hadn't provided advance notice that it would be taking this action, but thought it was fair it hadn't in the circumstances.

Mr T didn't agree. He couldn't understand how Starling had viewed the funds here as fraudulent and restated that Starling had put him in an 'impossible' position where he could no longer access the money held by B. Mr T wanted to know why this service couldn't tell Starling to accept the payment when all parties could identify the source of the funds and there was no fraudulent activity. He said that Starling was refusing him access to his funds without notifying him it would do this. As Mr T didn't agree, the complaint was passed to an ombudsman 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.

Starling has explained that it didn't warn customers or provide notice that it wouldn't be accepting payments like this because it wasn't in a position to do so. Starling's terms explain that if it makes a change like this in respect of unregulated banking or payment services then it may not provide notice – which is what happened here.

So when Starling declined the payment Mr T wanted to make, I see why he may have been surprised and feels this is unfair. I've considered all he has told us about the difficult position he is in as a result of Starling not accepting this payment. Mr T has said that he lives abroad

and the only account he believes he could use to receive the payment is with Starling.

While I understand Mr T's position here, this service is independent and impartial – so I have to consider Starling's side of things too. Ultimately, Starling is entitled to decide what types of risks it's willing to take as a business. This extends to the types of payments it's willing to accept. Starling has explained why it isn't willing to accept the payment in question here, because of the risks involved in cryptocurrency and I think its position is a reasonable one.

Ultimately, Starling sees accepting the funds here as a risk that it isn't willing to take and I can see why. They originate from a cryptocurrency business that has been the subject of consumer warnings from the regulator – the Financial Conduct Authority. So I think Starling is entitled to decline the payment as it has here and that it's acting reasonably in doing so.

I realise that Mr T has said that he can provide proof of the legitimacy of the funds and of the funds held in his Starling account. But Starling clearly doesn't view this information as being enough to mitigate the risk of accepting the payment here and isn't willing to make an exception to its policy. I think that's a fair position for it to take in the circumstances.

This leaves Mr T in a difficult position, because it seems like the only account he thought he could receive the payment here into is with Starling. He has told us of another account he has, but it looks like B has told him that provider would reject the payment. That is very unfortunate for Mr T – but it's not something that Starling can be held responsible for.

I understand what Mr T means about the effect of Starling's actions being that he now can't access the money held with B. But Starling doesn't hold this money for Mr T – B does. Instead, Starling has made a decision that it isn't willing to receive the money from B – which is a decision it's entitled to make.

So even though I've considered all Mr T has said about the impact of this situation on him, I don't think this means it'd be fair to tell Starling that it should take a risk it is clearly unwilling to take as a business in accepting the payment here.

### **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 T to accept or reject my decision before 26 July 2024.

James Staples  
**Ombudsman**