

The complaint

Mr R complains Starling Bank Limited (Starling) failed to cancel his old bank card leaving his bank account open to potential fraud.

What happened

Mr R says he instructed Starling over two years ago to cancel his bank card and issue him with a new card. Mr R says in April 2024 Starling contacted him to advise his old debit card hadn't been cancelled. Mr R says he is very concerned this could have led to fraud on his bank account and a breach of his data. Mr R says this matter has caused him considerable stress and worry and he doesn't feel the compensation Starling have offered of £100 goes far enough.

Starling says it has apologised for the fact Mr R's bank card wasn't cancelled and this was due to a system error but as soon as it found out it cancelled the card. Starling says it has put measures in place to ensure this doesn't reoccur. Starling says it has offered Mr R £100 for the inconvenience caused.

Mr R wasn't happy with Starling's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says Starling acted as soon as it became aware of the issue and cancelled the bank card. The investigator says Starling confirmed Mr R didn't dispute any transactions on his account while the bank card was still active. The investigator pointed out it wasn't the role of this service to penalise businesses when mistakes occur and felt the compensation offered by Starling of £100 was fair.

Mr R didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Mr R to have been told that a bank card he requested to be cancelled over two years ago was in fact still active on his bank account.

When looking at this complaint I will consider if Starling, having accepted its mistake should pay further compensation to Mr R.

The first thing to say here is Starling have accepted due to a system error, it failed to cancel a bank card on Mr R's bank account and indeed it was them who advised Mr R of this in April 2024.

Without trying to minimise the frustration this would have undoubtedly caused Mr R here, in these circumstances when a genuine banking mistake like this occurs, all I can ask of the business is to apologise, put matters right and offer an appropriate level of compensation – on balance I am satisfied Starling have done that here. I understand Mr R feels strongly about this issue and wants Starling to provide details behind the system error that caused the issue in the first place, but Starling have explained this is linked to its internal systems and isn't able to provide this and I can't tell Starling it must, after all this could be sensitive business information.

It's worth saying it's not the role of this service to penalise or punish businesses so in the individual circumstances of this complaint, I am satisfied the £100 offered by Starling is fair here.

It's also fair to say there's no evidence of any data breach and while following the investigator's view Mr R believes there may have been some transactions on his account he doesn't recognise, that didn't form part of his original complaint so I can't consider that here. If Mr R believes that to be the case he would need to take this up directly with Starling.

I will leave it with Mr R if he now wishes to contact Starling regarding its offer of compensation.

While Mr R will be disappointed with my decision, I won't be asking anymore of Starling.

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 R to accept or reject my decision before 7 August 2024.

Barry White
Ombudsman