

The complaint

Mrs K complains that Santander UK Plc failed to secure her account which allowed several unauthorised transactions to be made from it.

What happened

Mrs K became aware that several large transactions had been made from her account without her knowledge. Once Santander looked into what had happened, they found that an unidentified third party had been able to update details about the account, including the phone number attached to it. They'd also been able to pass security which allowed these disputed transactions to be sent from the account.

Mrs K also received suspicious calls from persons pretending to be from Santander. Mrs K suffered the loss of a large amount of her funds from different accounts which Santander refunded.

Mrs K was unhappy with how her account had been allowed to be changed and the disputed transactions made without them being stopped and complained to Santander about it. Mrs K had also been admitted to hospital which she thinks was due to the stress of the situation. Santander examined what had happened and wrote to Mrs K about it. They accepted that her account had been compromised but didn't believe they'd made any errors because whoever called them had sufficient details about the account and Mrs K to pass security.

Mrs K remained unhappy with how Santander had handled her issue and brought her complaint to the Financial Ombudsman Service for an independent review. Mrs K's complaint was looked into by one of our investigators who didn't uphold her complaint.

Mrs K disagreed with the investigator's outcome and asked for a further review of her complaint which has now been passed to me for a decision.

Mrs K commented that she was never provided with an explanation of how this was allowed to happen and wanted more detail about the issue.

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.

It's apparent that Mrs K's accounts were subject to a determined and sophisticated undertaking to steal her funds. Santander accepted that the transactions weren't made by Mrs K and refunded them and any charges associated with them. This was an appropriate response from Santander as the disputed transactions weren't authorised by Mrs K.

Mrs K's main complaint is about how this was allowed to happen and looking at Santander's records, it's evident that at certain stages throughout this incident, that one time passcodes were sent to Mrs K's registered phone which allowed other parts of the account to be changed – for example the phone number to be updated.

It's a general security feature of many banks including Santander to send a code to the registered phone before allowing certain processes or transactions to be changed – which is what happened here. It's not clear to me how the scammers were able to acquire the code from Mrs K's phone, but as Santander received a response from it, this allowed other transactions and changes to be made.

The scammers also knew a lot about Mrs K and her account which together with changing the device allowed them to reset the security and from then on to appear to Santander that they were the account holder – Mrs K. This then allowed them to send funds from the account and respond to any further security steps imposed by Santander.

I accept that this would have been an unsettling time for Mrs K because she didn't know the extent to which her private information had been compromised, but I think it's worth noting that the losses weren't caused by Santander – unscrupulous scammers were responsible.

I can't know how these scammers obtained Mrs K's information, but as they were able to answer various security questions about her and the account together with resetting devices and changing the phone number, I don't think I can hold Santander at fault for not stopping these payments.

I was sorry to hear that Mrs K was hospitalised because of this incident, but as it was caused by scammers, I can't hold Santander responsible for the impact it had on her. Santander's actions to refund the money ensured that Mrs K was put back in the same position she was before this happened, although I accept she had to go through considerable stress and worry at the time.

If Mrs K hasn't already done so, she may wish to look into a protective registration with CIFAS. This may be suitable to assist her as a victim of an identity crime.

<https://www.cifas.org.uk/pr> will give her additional information about this service.

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 Mrs K to accept or reject my decision before 18 November 2022.

David Perry
Ombudsman