

## **The complaint**

Mr C is unhappy that Santander UK Plc decided not to refund him after he was the victim of an authorised push payment (APP) scam.

Mr C has used a claims management company to bring his complaint. I'll refer to them as R.

## **What happened**

Mr C said a trusted friend he'd known for a few years recommended a task-based job/investment, where the consumer needed to complete tasks on different social media sites to make money. The premise was that Mr C needed to purchase packages which allowed him access to carry out tasks across several social media platforms, each task attracting a small payment. Mr C also explained he paid upfront fees to purchase an "auto task" where the tasks were automatically completed for him.

Mr C says his friend showed him the app and platform he was using, and the profits he had made. Mr C downloaded the app and between 22 January 2022 and 10 February 2022 he made three transfers totalling £8,200 to three different payees. Mr C told us the tasks took about five minutes a day to complete and he would make around £58 per day. Mr C explained, the more money you put in the higher the commission paid. Mr C had worked out by the end of February 2022 he would have made back the £8,200 he invested.

Mr C saw payment for his work accumulating in an online account. Mr C says he didn't attempt to withdraw any funds. Mr C said the application crashed on 14 February 2022, and he was unable to get on to it. He then raised the scam claim with Santander the following day.

Santander reviewed the complaint under the Contingent Reimbursement Model (CRM Code) and refunded Mr C 50% of his losses (£4,100) as it said it did not meet the standards set out for firms under the code. Specifically, it says it did not consider it provided the consumer with an effective warning when he set up the new payees and made the transfers. But it only refunded 50% of Mr C's losses as it felt the consumer could have done more to prevent the scam. It said he had no reason to believe the investment was genuine and did not verify the company as being genuine. The company did not provide Mr C with anything to support they were investing his funds or that he would make money on the app.

One of our investigators looked into the complaint, but she didn't think Santander needed to refund any more of Mr C's losses as she thought the premise for making money seemed unrealistic. She also noted that one of the payees was linked to cryptocurrency, even though this wasn't an investment into cryptocurrency. Another payee had no relevance to the investment at all. She considered this should have raised concerns, and been questioned by Mr C.

R did not agree with the investigator's findings for the following reasons:

- The employer had a high functioning, quality app for the completion of the tasks – which included a customer service live chat.

- Many workers were able to withdraw funds which made it convincing.
- Workers were added to a messaging group where they could see other workers withdrawing funds.
- The employer said it was linked to a well-known image sharing social media site.
- The employer shared its Companies House certificate within the messaging groups.
- The premise for making money through social media and liking posts is a growing area for making money.
- Mr C was referred by someone who has been successfully using the app.
- All victims were required to make payments to a number of different payees. Santander did not provide any warnings which would have otherwise made a big difference to Mr C's decision making.

As the case has not been resolved informally, it's been passed to me for a 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Having done so I have come to the same conclusions as the investigator for broadly the same reasons. I have considered this complaint, based on the individual circumstances, evidence and factors presented to me by Mr C and R.

Santander has signed up to the Contingent Reimbursement Model Code (CRM or the Code). This is a voluntary scheme designed to reimburse customers that have fallen victim to a scam. The starting position under the Code is for a customer to be refunded. A firm might choose not to refund if it establishes that a customer has:

- made the payment without a reasonable basis for believing that: the payee was the person he was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom Mr C transacted was legitimate.

There are further exceptions within the CRM Code, but they do not apply in this case.

Santander has already refunded 50% of Mr C's losses on the basis that it says it did not meet the standards expected of it under the CRM Code – that is - it considers it failed to provide an effective warning. So, I haven't considered this aspect further.

The remaining loss turns on whether Mr C had a reasonable basis for belief.

### ***Did Mr C have a reasonable basis for belief?***

I've thought carefully about what Mr C has told us happened, and the reasons Santander says Mr C didn't have a reasonable basis for belief for proceeding with the payments or that the person he was dealing with was legitimate.

I broadly agree with the findings made by the investigator, I'm not satisfied it was reasonable for Mr C to have made the payments he made. I say this because I think the premise on which this job based task is based seems too good to be true - specifically an app that does the work for you and one on which you can earn £58 after spending five minutes on the task.

I haven't been provided with evidence of what specifically enticed Mr C to spend money on this job opportunity or what made him think he was dealing with a legitimate company. Mr C said his friend showed him evidence to show the profits he made. But Mr C hasn't shared this with our service. Mr C says he also saw positive reviews – but when asked for information relating to that – he said these were via word of mouth. So, I can't be certain what Mr C relied on before deciding to make these payments. And I think this is important as this was what Mr C said was key in him deciding to pay money as part of this scam.

Mr C confirmed there was no employment contract terms and conditions and he hasn't shown that he carried out any independent research about the employer prior to investing reasonably large sums of money. The payees were all different and don't appear to have any links to the task-based employer. The largest payment went to a cryptocurrency provider, but the premise of the task doesn't appear to have had anything to do with cryptocurrency. I think all of this ought reasonably to have caused concern.

Mr C hadn't received any payment or made any withdrawals at the point he went on to make the second or subsequent payments.

The employer's registration with Companies House wasn't filed until 10 February 2022, after Mr C had made all the payments. He can't reasonably have relied on this to believe the employer was legitimate as it simply didn't exist before then. I believe this is a document that has been shared as part of the wider group of those scammed, rather than something Mr C specifically saw, researched, or relied on, when deciding to make these payments.

Overall, I don't think Mr C ought to have had a reasonable basis for believing that the employer was genuine.

There are other points provided by both Santander and Mr C that I haven't specifically commented on but have considered. I've commented on what I find to be most relevant and influential to the outcome.

Considering all of the above and based on the individual elements of this complaint, I don't think it would be fair to ask Santander to refund any more than it has already offered.

### **My final decision**

My final decision is I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 June 2023.

Kathryn Milne  
**Ombudsman**