

## The complaint

Mr F complains that Santander UK Plc (“Santander”) won’t refund over £27,000 he lost to a cryptocurrency investment scam.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my 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 agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr F authorised the disputed payments he made to his own Electronic Money account (where his funds were subsequently transferred on to the scammer via his crypto wallet). The payments were requested using his legitimate security credentials provided by Santander, and the starting position is that firms ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Santander should have done more to prevent Mr F from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- In this instance, it’s accepted that some of the payments were considered unusual given that they did trigger the bank’s fraud prevention systems and were automatically blocked pending further enquiry – such as the first payment made on 10 March 2023. Accordingly, it’s just a question of whether the bank went far enough in all the circumstances with its intervention.
- Having listened to the call recording of the discussion had between Mr F and Santander, I accept that its questioning didn’t go far enough to reasonably determine whether he was at risk of financial harm, and that it could have gone further with its questioning and issued an impactful scam warning. But even accepting this as the case, I’m not persuaded any such further questioning or scam warning would have ultimately uncovered the scam and prevented the loss in any event. I’ll explain why.
- Mr F has explained that while he was speaking to Santander, the scammer was in the background telling him what to say and how to answer the bank’s questions. Santander asked what the payment was for, to which he said he was shuffling money between his accounts. He didn’t say it was for a cryptocurrency investment. Santander explained the importance of him being honest and said that criminals will often ask customers to mislead the bank to avoid the scam being detected. Santander went on to ask Mr F if anyone had asked him to lie or mislead it, to which he said, “*Not at all*”, despite this being

the very scenario that was unfolding.

- So, it seems highly unlikely that Mr F would've been honest in response to Santander's questions, even if it had probed further. And given he was following the scammer's instructions at each step and had been told to mislead the bank, I don't think he would have taken any notice of a scam warning either. Indeed, I note that Mr F also wasn't honest when he was questioned by another firm that was part of the same scam. He also took out a loan with another bank to fund the investments, but misled the bank as to the purpose of the loan as he said it was for home improvements. As a result, I'm not persuaded any further questioning or warnings Santander could've provided would have likely revealed the scam either. So, I don't consider it can fairly or reasonably be held liable for his loss in these circumstances.
- I also don't think there was anything more Santander could've done to recover the money after Mr F reported the fraud. The receiving account was controlled by Mr F, and we know the money was transferred out of that account to his cryptocurrency wallet, so there would've been no prospect of Santander recovering the money.

I appreciate this will likely come as a disappointment to Mr F, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded Santander can fairly or reasonably be held liable for his loss in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 16 April 2024.

Jack Ferris  
**Ombudsman**