

## **The complaint**

Mr G would like to make a complaint about Santander UK Plc.

He says that he has fallen victim to a scam and would like Santander to refund him the money he has lost as a result.

## **What happened**

In June 2020, Mr G made a payment of £20,000 for an investment into a bond with a company I will refer to as 'AC'. The payment was made via a separate business 'NP'. AC fell under NP's care.

Mr G now believes that the investment was a scam, and would like Santander to refund him

He made a complaint to Santander, but it didn't uphold his complaint. It said that this was a civil dispute between Mr G and AC/NP.

Mr G didn't agree and brought his complaint to this Service with the help of a representative.

Our Investigator looked into things but didn't think that the complaint should be upheld as they weren't persuaded that Mr G had fallen victim to a scam.

Mr G and his representatives didn't provide any further comments but asked for an Ombudsman to issue a final decision, so the complaint has been passed to me.

## **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've decided not to uphold this complaint.

It isn't in dispute that Mr G authorised the payment of £20,000. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transactions. But Mr G says that he has been the victim of an APP scam.

Santander has signed up to the voluntary Lending Standards Board's Contingent Reimbursement Model ("CRM") code, which provides protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met. I have set this definition out below:

*"...a transfer of funds executed across Faster Payments...where:*

*(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*

*(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent”.*

So, I've considered whether or not the transaction falls under the scope of an APP scam as set out above. Having done so, I haven't seen enough to agree that it does. I'll explain why in more detail.

Mr G has not provided any evidence about the investment, so I have not seen any information about what he would have seen at the time or what he was told about how the investment worked – and this hasn't been explained by his representatives either.

So, I have based my decision on the information I have available about AC.

Having looked at AC's entry on Companies House, I can't see any information that indicates to me this was clearly a scam. AC was an incorporated company that had been operating for some time prior to Mr G making his payment. However, if any new material evidence related to AC becomes available following this final decision, Mr G can ask Santander to reconsider at the point.

As I've set out above, the CRM Code definition of an APP scam requires that the real purpose of the payment was different to what Mr G had been led to believe through deception. But Mr G hasn't provided any evidence of what was agreed between him and AC or what AC did with the funds after he made the payment.

On that basis, I'm not satisfied that I can safely conclude that Mr G's payments meet the definition of an APP scam as per the CRM Code, but rather he has lost money due to a bad/high risk investment – or due to the company entering into liquidation.

While banks such as Santander do have a long-standing responsibility to protect their customers from scams. But when simply executing authorised payments, they do not have to protect customers against the risk of bad bargains or give investment advice.

Therefore, I can't fairly ask Santander to refund him under the CRM Code.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 January 2025.

Claire Pugh  
**Ombudsman**