

The complaint

Mr A has complained Santander UK Plc won't refund several payments he says he made and lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr A alleges he fell victim to a romance scam. Mr A sent funds, which he believed were to sponsor a visa application and ancillary expenses, to an individual (that I will refer to as "HGA") he met on a dating website. However, when informed HGA was supposedly held at the airport because of issues with their gold Mr A sought guidance from friends. They told him he had been scammed and he ceased all contact with HGA.

The relevant transaction details and amounts Mr A is claiming are as follows:

Transaction	Date	Type of Transaction	Amount
1	15 March 2023	International payment	£1,866.47 + £25 fee
2	16 March 2023	International payment	£300.83 (fee refunded)
3	24 April 2023	International payment	£6,296.86 + £25 fee

I've noted within Mr A's statements there was also a payment on 21 February 2023 for £2,200. However, he received these funds back via an initial recall after he was told HGA required the funds in a certain currency. He then resent these monies as can be seen in the table above.

Santander didn't reimburse Mr A's lost funds and so he referred his complaint to us. Our Investigator looked into things but didn't recommend the complaint be upheld. They weren't persuaded, on balance, that Santander could have prevented Mr A from transferring the funds. As our Investigator couldn't resolve the matter informally, the case has been passed to me 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to

do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I am sorry to hear about the situation Mr A has found himself. However, just because Mr A says a scam has occurred, it does not automatically entitle him to recompense by Santander. It would only be fair for me to tell Santander to reimburse Mr A for his claimed loss (or a proportion of it) if: I thought Santander reasonably ought to have prevented all (or some of) the payments Mr A made, or Santander hindered the recovery of the payments Mr A made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Santander treated Mr A fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr A's complaint. I know this will come as a disappointment to Mr A and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr A made the payments himself and the starting position is that Santander should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr A did not intend for his money to be lost, but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Santander should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to Santander that Mr A might be at a heightened risk of possible financial harm due to fraud or a scam.

I have kept in mind these were international payments, but that doesn't mean they should automatically be treated as suspicious; particularly when there are no other concerning factors about the payments. I do not think the value of the first two payments were remarkable enough to have caused Santander any concern as he had made similar payments before. However, I've noted that before Santander released payments 1 and 2 they first confirmed with Mr A: the individual's full name, address, date and place of birth, nationality and citizenship, along with a detailed purpose of payment. As Mr A is aware it was the receiving bank that had asked for this information via Santander. However, I've noted that Santander also reviewed the information he supplied. As Mr A was able to

confidently answer these questions the funds were released. So, I'm not persuaded Santander reasonably ought to have been concerned about them.

Santander correctly intervened in the third payment and Mr A was required to complete an enhanced scam discussion in branch. As a larger than usual payment, Santander ought to have been concerned at the heightened risk of financial harm due to fraud or a scam and so it was correct of them to intervene. When discussing this payment with Santander, Mr A states he informed them he had recently met someone online and believes Santander should have probed further. The notes available from the time confirm Mr A: hadn't been asked to lie or mislead Santander, move his money to keep it safe, had any recent unexpected contact or recently met anyone online. Ultimately, Santander's intervention must not amount to an interrogation and these questions were appropriate.

I do not doubt Mr A does believe he informed Santander he had met someone online recently. But, on balance, had he done so, I see no reason why it would not have been recorded. The questions Santander asked were to establish if there were any signs of a scam. Had Mr A mentioned he had met someone online recently I believe it highly likely Santander would have probed further. If Mr A had been more forthcoming with his answers Santander would likely have recognised he had fallen victim to a scam and stopped the payment. Mr A's testimony highlights the great deal of time HGA spent building a connection with him over many months, even using his religious beliefs to do so. The passport copy, and other information, which was made to look official, sent to Mr A no doubt strengthened his trust in this connection. This likely impacted his receptiveness to be as forthcoming with Santander as he could have been. Mr A's focus was on ensuring HGA had the funds as quickly as possible. So, I'm not persuaded that any follow up questions Santander could have asked would have uncovered the scam.

Taking everything into account I don't think Santander could have prevented Mr A's loss.

Recovery

We expect banks to quickly attempt to recover funds from recipient banks when a scam takes place. Santander did contact the recipient bank following Mr A's contact to try to recover the lost money. However, they were unable to recover any of the funds. Due to the length of time that had passed since the last payment had been made by Mr A this isn't unusual, as scammers will tend to move the funds out of the account after receipt. So, even if an attempt to recover the funds occurred more quickly, I do not think it would have made any difference.

Whilst it is no doubt disappointing for Mr A I'm satisfied Santander did what they could to get the money back.

The Contingent Reimbursement Model Code

Santander has signed up to the Contingent Reimbursement Model Code. However, as the Code doesn't cover international payments it doesn't cover the transactions Mr A made. Therefore, I cannot fairly and reasonably say that Santander should have to refund payments under the Code when it doesn't apply here.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Santander UK Plc to reimburse Mr A's loss.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 March 2025.

Lawrence Keath
Ombudsman