

The complaint

Miss A complains that Santander UK Plc ('Santander') won't refund the money she lost after falling victim to a scam.

What happened

Miss A was looking for an apartment to rent for three days in London and found one she liked on an online property rental website.

Miss A says the ad for the property said that due to dates on the website not syncing correctly with the calendar, any enquiries should be made directly to an email address. She emailed the address provided and it was confirmed that the property she liked was available. Miss A was sent a link for the property, which appeared to come from another genuine property rental website (different to the website she found it on).

Miss A said she checked both websites and found the property listed. So, on 5 September 2023, she paid £1,010 by bank transfer.

On 16 September 2023, Miss A received an email which said the booking had been cancelled and she would receive a full refund. When Miss A used the link to check on the status of the refund, she found it didn't work and realised she'd been the victim of a scam.

Miss A reported the fraud to Santander and asked that they refund her. Santander refunded 50% being £505, saying they should've provided an effective warning. However, they declined to refund the remaining 50% saying Miss A didn't do sufficient checks to ensure the booking was genuine.

Miss A wasn't happy with Santander's response, so she brought a complaint to our service.

An investigator looked into her complaint and didn't uphold it. The investigator felt Santander had acted fairly in refunding 50%, as there were warning signs that should've concerned Miss A about the legitimacy of the booking.

Miss A didn't agree with the investigator's opinion and asked for an ombudsman to review her case. Miss A says she completed appropriate checks by ensuring the property was advertised on both property rental websites, and that the link the scammer sent her to use looked genuine.

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.

Santander are a signatory to the Contingent Reimbursement Model Code (the CRM Code) which requires firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that an exception applies. In this case Santander say Miss A made the payment without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.

Having carefully considered everything that Miss A has told us, I'm satisfied that Santander can rely on the exception to reimbursement. I say this because:

- While Miss A couldn't check availability of the property through the genuine website, it's unclear why she couldn't make payment through the website, which would usually involve providing card details to secure the booking. Here Miss A was asked to make payment by bank transfer, and I can't see that Miss A queried this.
- Miss A made a bank transfer to a payee name that doesn't match the name of the person she was communicating with, the host of the property, or the company name used on the messages she received in relation to booking the property. I can't see that Miss A asked about this or did any checks to ensure this payee was linked to the booking.
- The price Miss A was quoted was £45 per night cheaper than the price quoted on the original property rental website. I appreciate that the message from the scammer suggests Miss A was booking through a second property rental website, but Miss A should've been concerned that she was getting the property at such a discount.

I'm satisfied there were enough warning signs that the payee wasn't the person Miss A thought she was paying, or that the person she was dealing with wasn't legitimate. On that basis, I'm satisfied that Santander can rely on this exception to reimbursement.

Santander have accepted that they haven't met the standards set for them under the CRM Code and reimbursed Miss A 50%.

I realise that Miss A will be very upset as losing this money has had a serious impact on her, and I'm really sorry that she fell victim to this scam.

But, as I'm satisfied that Santander can rely on an exception to reimbursement, the £505 they've already refunded Miss A is fair and I can't ask Santander to refund anything further.

My final decision

My final decision is that I don't uphold this complaint against Santander UK Plc.

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

Lisa Lowe
Ombudsman