

**The complaint**

Mr B complains that Santander UK Plc (Santander) won't refund money he lost in a scam.

**What happened***What Mr B says:*

Mr B's son went to play football in Italy on a contract with a local club. In September 2023, Mr B was asked to pay euro2,500 for his son's boarding/lodging for the season. He paid this to the agent/contact in Italy. He was then contacted on WhatsApp by the same person to say his son had been asked to leave the club. Mr B asked for his money back, but the recipient refused.

Mr B said his son was threatened and feared for his life, and he booked a flight for him to come home.

The payment was:

Date	Payment	Amount
11 September 2023	Telephone payment	Euro2,500 (£2,212.73)

Mr B says he was defrauded and says Santander should refund it.

*What Santander said:*

Santander said the payment was checked when it was made and the right level of security checks were completed. The claim couldn't be looked at as part of the Contingent Reimbursement Model Code – as it was an international payment. They were trying to get the money back and if any funds were returned, they would be credited to Mr B's account.

*Our investigation so far:*

Mr B brought his complaint to us. Our investigator didn't uphold it. He said the value of the payment, added to the normal activity on Mr B's account, meant that it wasn't a payment that Santander should've refused to make or ask further questions about it.

Mr B asked that an ombudsman look at his complaint, and so it has come to me to make 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.

It's not clear from what Mr B says – whether this was a scam, or whether Mr B's son genuinely fell out with the club and they refused to pay the money back.

But I have assumed it was a scam – whereby Mr B was tricked into paying for a service that was never going to be provided.

Looking at what happened, I can only imagine how difficult and worrying a time this must have been for Mr B and his family.

I'm sorry to hear that Mr B has lost money in a cruel scam. It's not in question that he authorised and consented to the payments in this case. So although Mr B didn't intend for the money to go to a scammer, he is presumed to be liable for the loss in the first instance.

So, in broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what is fair and reasonable in this case.

But that is not the end of the story. Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider 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 banks 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 declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I need to decide whether Santander acted fairly and reasonably in its dealings with Mr B when he made the payments, or whether it should have done more than it did. I have considered the position carefully.

The Lending Standards Board Contingent Reimbursement Model Code (CRM Code) provides for refunds in certain circumstances when a scam takes place. But – it doesn't apply in this case. That is because it applies to faster payments made to a UK beneficiary – and in this case, the payments were made to an overseas account.

**(continued)**

The important matter here is whether this was a payment that Santander might reasonably have considered unusual, and therefore whether they should've held or stopped the payment.

I looked at Mr B's account history with Santander. And it's fair to say the payment wasn't out of character for Mr B. I can see he made other, similar payments as follows:

July 2023: £1,816; £716; £3,220.

So – the payment in question was in line with other payments he had made in the recent past.

Based on that, I do not consider Santander needed to be concerned about the payment in question.

I also listened to the call when Mr B phoned Santander to make the payment on 11 September 2023.

The call handler asked : *“what’s the reason for the payment?”*

Mr B: *“providing a service”*.

Santander *“has the service been received?”*

Mr B: *“yes, to pay for hotel, and lodgings (for my son who’s playing football there)”*.

Santander: *“how did you get the details of where to pay the money?”*

Mr B: *“I spoke to the person, he sent me the details on WhatsApp”*.

Santander *“do you know him in person?”*

Mr B *“my son has met him, he’s been helpful, he gives lifts at the football club”*

Based on this, Santander asked the questions they needed to (and considering also Mr B’s account history). And got the necessary answers. So, I can see why the bank allowed the payment to go through. I don’t consider Santander needed to do anymore.

There’s a balance to be made: Santander has certain duties to be alert to fraud and scams and to act in their customers’ best interests, but they can’t be involved in every transaction as this would cause unnecessary disruption to legitimate payments. In this case, I think the bank acted reasonably in processing the payments.

### *Recovery*

We expect firms to quickly attempt to recover funds from recipient banks when a scam takes place. I looked at whether Santander took the necessary steps in contacting the bank that received the funds – in an effort to recover the lost money.

I can see Santander contacted the recipient bank. So – that was reasonable. Unfortunately, it’s the case that where an overseas bank is involved, the chances of recovery are lower than for a UK bank. And here, nothing was paid back. Unfortunately that is generally the case in scams such as this.

I’m sorry Mr B has had to contact us in these circumstances. I accept he’s been the victim of a cruel scam, but I can’t reasonably hold Santander responsible for his loss.

**(continued)**

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 9 May 2024.

Martin Lord  
**Ombudsman**