

The complaint

Mr H complains that Santander UK Plc is refusing to refund him the amount he lost as the result of a scam.

Mr H is being represented by a third party. To keep things simple, I will refer to Mr H throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr H tells us he saw an article online about an interview that had taken place with a well-known celebrity who had explained he had made a stake in an online cryptocurrency business I will call X and been able to make an income that rolled in automatically.

Mr H tells us he viewed X's website and was soon in touch with X via calls and emails about the investment available. Mr H tells us X appeared knowledgeable and professional and that he was asked to provide copies of his identification which made X appear even more legitimate.

Mr H was given access to what appeared to be a legitimate trading platform where he was able to see the profit he was making. Mr H was also able to make small withdrawals from the platform.

Mr H realised he had fallen victim to a scam when he attempted to make a large withdrawal and was told he would have to make more payments in relation to fees first. Yet when Mr H made several payments, his funds were still not released.

Mr H made the following payments from his Santander account in relation to the scam.

Payment	Date	Payee	Payment Method	Amount
1	20 June 2023	Mr H	Transfer	£700.00
2	26 June 2023	Mr H	Transfer	£4,000.00
3	28 June 2023	Mr H	Transfer	£5,000.00
4	14 July 2023	Mr H	Transfer	£10,800.00
5	8 August 2023	Mr H	Transfer	£8,149.00
6	10 August 2023	Mr H	Transfer	£8,560.00
7	11 August 2023	Mr H	Transfer	£4,500.00
8	15 August 2023	Mr H	Transfer	£6,695.00
9	15 August 2023	Mr H	Transfer	£0.88
10	17 August 2023	Mr H	Transfer	£5,500.00
11	17 August 2023	Mr H	Transfer	£0.98
12	17 August 2023	Mr H	Transfer	£0.02
13	22 August 2023	Mr H	Transfer	£5,100.00
14	25 August 2023	Mr H	Transfer	£4,500.00

	4 September 2023	Mr H		£77.43Cr
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Our Investigator considered Mr H's complaint and didn't think it should be upheld. Mr H disagreed, so this complaint has been passed to me to decide.

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 isn't in dispute here that Mr H has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

Recovering the payments Mr H made

Mr H made payments in relation to the scam via transfer to an account in his own name held with another provider. As the funds were sent to another account in Mr H's own name. any funds that remained in that account would remain within Mr H's control. As Mr H has told us these funds were transferred onto the scammer no funds would remain to be recovered in any event.

With the above in mind, I don't think Santander had any reasonable options available to it to recover the payments Mr H made in relation to the scam from His Santander account.

Should Santander have reasonably prevented the payments Mr H made?

It has been accepted that Mr H authorised the payments that were made from his account with Santander, albeit on X's instruction. So, the starting point here is that Mr H is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Santander should have been aware of the scam and stepped into question Mr H about the payments he was making. And if it had questioned Mr H would it have been able to prevent the scam taking place.

Mr H was making payments to an account he held in his own name with another provider. We have been provided with Mr H's account history and can see it was not unusual for Mr H to make large payments from this account prior to making the payments that are in dispute.

With this in mind I don't think that the payments Mr H made in relation to the scam would reasonably have been considered unusual, or that it would have been clear to Santander that the payments Mr H made in relation to the scam put him at risk of financial harm.

So, I don't think it was unreasonable that Santander didn't step in and prevent the payments from being made.

However, I can see that Mr H contacted Santander when he attempted to make payment 14 as his online banking had been blocked. Mr H was questioned about the payments he was making.

Mr H confirmed he was making a payment to an account in his own name and confirmed the account details. Mr H then confirmed that no one was helping or advising him.

This wasn't correct Mr H was being advised at this point to make payments to release funds from his investment, so Mr H had not been honest with Santander. Considering Mr H had clear concerns at the point he was speaking to Santander this was a good opportunity for Mr H to voice his concerns but having given a dishonest answer Mr H continued to make the payment.

Considering the type of payments Mr H was making I don't think it was unreasonable that Santander didn't prevent them from being made and I think it asked reasonable questions when it did speak to Mr H, and considering Mr H's responses I don't think it was unreasonable that Santander released the payment to another account Mr H held elsewhere.

I don't think Santander missed an opportunity to prevent the scam, so it is not responsible for Mr H's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 March 2025.

Terry Woodham
Ombudsman