

## The complaint

Mr H complains that Santander UK Plc won't refund money he lost when he was a victim of a scam.

Mr H is being supported in his complaint by a representative, but for ease of reading, I'll only refer to Mr H in this decision.

## What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In late 2022 Mr H started talking to a third-party on social media. After speaking for a month, he was told by this third-party that he needed to be financially stable for her family to accept him. So, he decided to try and make some additional money. Mr H then came across another third-party on social media who explained a role to him which entailed placing bulk orders to then sell on at a profit later. Mr H was told to send money from his Santander account to a genuine crypto exchange before forwarding the funds on to a third-party merchant. In total Mr H made the following payments;

	Date	Type of Transaction	Amount
1	7 July 2023	Debit card payment to crypto exchange	£30
2	13 July 2023	Debit card payment to crypto exchange	£200
3	14 July 2023	Debit card payment to crypto exchange	£250
4	14 July 2023	Debit card payment to crypto exchange	£1,000
5	17 July 2023	Debit card payment to crypto exchange	£100
6	19 July 2023	Debit card payment to crypto exchange	£2,000
7	21 July 2023	Debit card payment to crypto exchange	£7,000
8	21 July 2023	Debit card payment to crypto exchange	£7,000
9	24 July 2023	Debit card payment to crypto exchange	£11,000
		<b>Total loss</b>	<b>£28,580</b>

After not being able to make any withdrawals Mr H realised he had been scammed. So, he contacted Santander to make a claim. But Santander said it hadn't done anything wrong here so wouldn't be offering a refund. Unhappy with that response Mr H brought his complaint to the Financial Ombudsman.

Our investigator didn't think the complaint should be upheld. He said Santander intervened in the payments and hadn't acted unreasonably here.

Mr H disagreed and asked for an Ombudsman's review. He said Santander's intervention didn't go far enough. And if it had asked more probing questions and why he was sending the money the scam would've been uncovered.

I was allocated the complaint and felt the complaint should be upheld in part. I said Santander stopped some of the payments but failed to provide a reasonable intervention which I was satisfied would've more than likely uncovered the scam. I didn't think Mr H had

acted unreasonably here so he should be refunded £27,000 with 8% simple interest per year from the date of the payments to the date of settlement.

Mr H agreed with my proposed resolution.

Santander only agreed in part to my suggested settlement. It said that Mr H should bear some responsibility for what happened here. It said Mr H hadn't acted reasonably and was too quick to part with his money after meeting people online via social media. Mr H wasn't given any contracts for the 'role' or the items he thought he was buying. As a result, it said Mr H was ignoring red flags and should have his award reduced by 50%.

### **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 that Mr H authorised the payments totalling around £28,580. And, under the Payment Services Regulations 2017 and the terms of his account, Santander are expected to process the payment and Mr H is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance including the Consumer Duty, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Santander to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr H to Santander were unusual enough to have expected additional checks being carried out before the payment was processed. But I must keep in mind that Santander processes high volumes of transactions each day; and that there is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

After reviewing the statements and the payments Mr H made, I'm satisfied Santander didn't do enough to stop this scam. I've listened to the call recordings provided by Santander of interventions it made because it found the payments Mr H was making to be suspicious. The first intervention took place on 19 July 2023. On that day Mr H sent £2,000. But I don't think Santander provided a sufficient intervention.

During the call, I didn't hear the fraud specialist ask Mr H to explain why he was making the payment or probe any of the answers that he gave. It appears to me that Santander saw that the payment was going to a genuine crypto exchange and because Mr H said he was purchasing crypto it was assumed that he was investing. But I've not heard any simple probing questions such as "can you explain the reason why you're making the payment today?" and "Why are you purchasing crypto? Is the money being sent to a third-party?" I think if those simple questions had been asked the conversation would've taken a different turn and ended up with a different outcome.

That's because I've not been provided with persuasive evidence that Mr H was willing to lie or deflect Santander's questions. Nor was he likely to ignore any warnings from Santander due to being coached on what to say. If there had been more probing questions, I think he would've said he was purchasing crypto to send it elsewhere so that he could fund a job opportunity he had come across. Further probing questions about how Mr H had come across such an opportunity would've more than likely led to him saying it was via social media and that he had to purchase stock to then sell at a profit on a separate third-party platform. I think given the prevalence of job scams involving the purchase of crypto at the

time of the payments, this would've been a red flag to Santander. And it would've been able to provide a warning to Mr H that this was very likely a scam. Which I'm satisfied he would've more than likely listened to.

Mr H thought he was making genuine payments for a job and although he didn't say this to Santander, he also wasn't asked any clear and probing questions about the reason for the payment. Instead, he was given a crypto investment scam warning which wasn't relevant to the reason he was making the payment. So, if Santander had provided some more warnings about job scams and the various scams that it was seeing at the time, involving the movement of crypto to third parties for a job opportunity and that Mr H wouldn't be able to withdraw any money, I'm satisfied he would've taken notice of that.

Although Mr H used money from his savings, I'm not satisfied he would've wanted to risk losing all that money. When he was unable to withdraw his money and was told he needed to pay further funds in fees, this ultimately unveiled the scam to him, so if the bank had said to him that this was very likely to happen, I think this would've made him pause and not want to send any further funds to the crypto exchange.

I've also listened to the later calls, but I don't think any of these later interventions were thorough enough and followed a similar pattern to the first intervention. Ultimately, because further probing questions weren't asked of Mr H, I think Santander missed an opportunity to uncover this scam.

As a result, I think Santander should refund all of the payments from and including the £2,000 payment on 19 July 2023.

I've considered whether Mr H should bear some responsibility for the loss here. I've considered the points Santander has made about Mr H ignoring red flags and that his award should be reduced by 50%.

Having done so I don't think it should. He fell for a very sophisticated scam that seemed genuine to him at the time. And even though Santander was blocking and stopping the payments Mr H reasonably understood that this was because Santander thought he was investing – which he wasn't. I note Mr H has ADHD. Even if Santander wasn't aware of that diagnosis at the time of the payments, I'm satisfied his condition did make him vulnerable in this instance, and the scammers were able to capitalise on this. So, although there was a romance element to this complaint which Santander has raised, I've not seen evidence of any coaching here or that Mr H failed to act reasonably given his medical background.

### **My final decision**

My final decision is that I uphold this complaint in part. Santander UK Plc should do the following;

- Refund Mr H £27,000 and
- Add 8% simple interest to this amount from the date of the payments to the date of the settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 May 2025.

Mark Dobson  
**Ombudsman**