

The complaint

Ms B complains that Santander UK Plc won't refund money she says she lost when she fell victim to a scam.

A representative who I will call "C" complains on behalf of Ms B.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary and based on everything sent by both parties, I understand it to be as follows.

Ms B has said she saw an advert online for an investment company, and as it looked professional and genuine, she asked for more information. After speaking with someone over the phone, Ms B went on to make payments to a crypto exchange totalling around £14,000. Ms B has said that she realised she was scammed when she tried to withdraw her profits, but was told she needed to pay withdrawal fees.

C complained to Santander on Ms B's behalf in October 2023. They said Ms B made the payments as part of a scam and Santander ought to have identified them as out of character and unusual. They also said Santander should've questioned Ms B about the payments and provided appropriate scam warnings. If they had, Ms B's losses would've been prevented. They wanted Santander to refund Ms B, with 8% interest added and £300 compensation.

Santander responded and explained that while claims of this nature are usually reviewed under the Contingent Reimbursement Model (CRM) code, this one didn't meet the requirement because the payments were made to accounts in Ms B's name, meaning they didn't fall within the scope of CRM.

C brought Ms B's complaint to our service and based on the evidence provided, our investigator wasn't satisfied the money had been lost to a scam. She accepted Ms B had purchased cryptocurrency, but she couldn't see that the transactions were fraudulent, as the money had been paid into accounts in Ms B's own name. She also didn't have anything to show the communication between Ms B and the scammer, or what happened to the cryptocurrency purchased. And without such evidence, our investigator couldn't be sure a scam had taken place and therefore couldn't say that Santander had done anything wrong.

C provided evidence of Ms B's phone records, which they said showed she had spoken to the scammer on the phone – and which is why there wasn't any written or online communication evidence that could be provided. They also asked for proof that the crypto accounts had been held in Ms B's name, as they didn't believe that to be the case.

Our investigator looked into things again and explained that in relation to the final disputed payment, it had been initiated from the crypto exchange through open banking with "transfer to own account" selected when it was submitted. Because the payment was made in this way, Santander didn't have any evidence of the name on the account.

In relation to the telephone logs provided, our investigator noted that they were dated from November 2022, however the scam payments were made between July and August 2022. Therefore, she didn't have sufficient evidence to indicate that a scam had occurred.

Without evidence of the crypto statements or correspondence with the scammer from the time of the disputed payments, our investigator wasn't able to evidence a loss had been suffered from a scam.

Ms B disagreed and so the complaint has been passed to me for review.

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.

Having done so, I agree with the outcome reached by the investigator and for similar reasons. I know this will come as a disappointment to Ms B, so I want to explain why I've reached the decision I have.

I'm very 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 focussed 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 haven't. 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.

Where the evidence is incomplete, inconclusive, or contradictory, I must make a decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations (PSRs) 2017, consumers are generally liable for payments they authorise. Santander is expected to process authorised payment instructions without undue delay. As a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams. But those are based on fraud or a scam being present. So, to start, I've considered whether Ms B was a victim of a scam and has evidenced a loss.

Ms B hasn't sent any evidence of contact with the scammer from the time the payments were made, or anything to show someone asked her to transfer money. Only that she had frequent conversations with an individual two to three months after the disputed payments were made. Although I can see that payments were made to crypto exchanges between July and September 2022, there isn't anything to indicate Ms B was instructed/tricked into making those payments, as there's no evidence of contact with the alleged scammer from the time of the transactions (only a significant amount of time afterwards). There's also nothing to show what happened to the funds after they were sent to the crypto exchanges – and whether they were lost to a scam as Ms B claims.

All payments, except the last one, were sent to a crypto exchange with the payee in the name of Ms B. The final payment however was sent via open banking to another crypto exchange with only the crypto exchange named as the payee (and so without Ms B's name). I understand that C has questioned whether this account was in Ms B's name.

Santander have said this payment was treated in the same way as the previous ones, that the account with the payment provider was in Ms B's name and that the funds would have

been sent on from there. I think that's most likely what happened here too, but I also note that Ms B, nor C, have presented anything to show the account wasn't in her name.

In any event, irrespective of where the payment was sent, and as I've said, the long-standing obligations to help protect customers from financial harm from fraud and scams are based on fraud or a scam being present. And here, given I can only corroborate that money was sent to legitimate crypto exchanges, I don't have enough to safely conclude that Ms B was tricked into making the payments as part of a scam.

It follows that I won't be requiring Santander to refund any of the payments made.

I know this will come as a disappointment to Ms B, and I do empathise with her situation. But I must be fair to both parties, and so I hope she can understand why I've reached the decision I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 10 April 2025.

Danielle Padden
Ombudsman