

## The complaint

Ms T complains that Santander UK Plc (Santander) is refusing to refund her the amount she lost as the result of a scam.

Ms T has previously been represented by a third party. To keep things simple, I will refer to Ms T 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.

There has been some confusion over exactly what happened during the scam but when Ms T's complaint was brought to this service she said in summary, that she had been looking online for investment opportunities in cryptocurrency when she received an email from a company, I will call X offering investment opportunities.

Ms T told us she spoke to X for some time and researched X online where she was unable to find any negative information. Ms T tells us she was also added to a group chat via a well-known messaging service where she was able to message other people that had invested with X.

When Ms T made her complaint to Santander, she said she had been scammed before and had made the payments in relation to a "payback" scam.

In any even Ms T was persuaded by the scammer to send payments from her Santander account to the scammer via a cryptocurrency exchange.

Ms T has disputed the following payments she made in relation to the scam from her Santander account.

Payment	Date	Payee	Payment Method	Amount
1	28 July 2022	Crypto.com	Debit Card	£1,055.57
2	1 September 2022	Good Advise	Debit Card	£1,142.51
3	1 September 2022	Transaction fee	Debit Card	£33.70
4	3 September 2022	Crypto.com	Debit Card	£1,000.84
5	26 October 2022	Crypto.com	Debit Card	£1,007.75
6	26 October 2022	Crypto.com	Debit Card	£962.95
7	9 December 2022	Crypto.com	Debit Card	£3,501.66
8	25 December 2022	Crypto.com	Debit Card	£1,757.04
9	5 January 2023	Crypto.com	Debit Card	£1,785.78
10	30 July 2023	Crypto.com	Debit Card	£720.93

Our Investigator considered Ms T's complaint and didn't think it should be upheld. Ms T 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.

From the information available I think it's reasonable to conclude that Ms T has likely fallen victim to a scam and has lost money as a result. However, even when 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 Ms T made*

Ms T made payments into the scam via her debit card. When payments are made by card the only recovery option Santander has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Unfortunately, Ms T made her complaint to Santander outside of the allowed time to raise a chargeback for payments 1-9. Therefore, Santander would not have been able to attempt a chargeback for those payments.

Payment 10 was within the time allowed to raise a chargeback, but I don't think it was unreasonable that Santander did not attempt one. I say this because Ms T didn't make payment 10 directly to the scammer instead, she made the payment to a cryptocurrency exchange (Crypto.com) where the payment was converted to cryptocurrency before being moved to the scammer.

As the cryptocurrency was provided in exchange for the payment Ms T made, a chargeback attempt would not have any prospects of success.

With the above in mind, I don't think Santander had any reasonable options available to it to seek recovery of the payments Ms T made in relation to the scam.

### *Should Santander have reasonably prevented the payments Ms T made?*

It has been accepted that Ms T authorised the payments that were made from her account with Santander, albeit on the scammer's instruction. So, the starting point here is that Ms T 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 intervened when Ms T made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Ms T made in relation to the scam were spread out over the course of a year with most of the payments taking place over a five-month period. The payments were also

not for such a high value, or so out of keeping with the way Ms T operated her account, that I would expect Santander's fraud prevention systems to have been triggered, prompting it to intervene.

As I don't think it was unreasonable that Santander did not intervene when Ms T made the payments she has disputed, it did not miss an opportunity to prevent the scam and is not responsible for Ms T's loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 27 March 2025.

Terry Woodham  
**Ombudsman**