

The complaint

Mrs W has complained that Santander UK Plc (“Santander”) hasn’t refunded the money she lost as part of an investment scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mrs W has used a professional representative to refer her complaint to this service. For the purposes of my decision, I’ll refer directly to Mrs W, but I’d like to reassure Mrs W and her representative that I’ve considered everything both parties have said.

Mrs W has explained that in 2019 she came across a social media advert on Facebook for the opportunity to start investing using a company which I’ll refer to as “F”. She was drawn to it because it claimed the company had been featured on a well-known morning TV programme and highlighted that trading could be started with just £250. As she felt reassured by this apparent endorsement, Mrs W believed the company was trustworthy. To double-check, she says she searched for F online and looked at reviews on a consumer review site. She found the company was registered offshore and saw positive feedback, which encouraged her to explore the opportunity further.

Mrs W replied to the advert and decided to proceed by paying an introductory fee of \$200 from an account she holds with a different bank. She’s explained that she also filled out an online form, providing her full name, email address, and contact number. Later, she was contacted by an individual (“the scammer”) who introduced himself as her account manager. The scammer explained he’d been specifically assigned to Mrs W and that his help would involve a fee of 5%, which Mrs W thought this was reasonable given her lack of experience with investing. The scammer gave Mrs W the option to either trade herself or let him manage the account on her behalf.

Over the next few weeks, Mrs W saw what seemed like significant returns on her initial investment, and as she was encouraged by these results, she followed instructions to set up an account on the company’s platform. To do this she had to provide personal ID, proof of address, and other details. This process, combined with the platform’s professional appearance and features like graphs and a visible account balance gave her even more confidence in its legitimacy.

On 7 May 2019, Mrs W made a payment of £5,000, plus a £25 transaction fee, to a recipient in Prague on instruction of the scammer. She noted the funds appeared immediately on the trading platform. Over the next few months she received what appeared to be returns, including a withdrawal of £2,000 on 2 July. Feeling reassured by these withdrawals, Mrs W made additional investments, including a payment of £4,966 from her Santander account on 18 July 2019. Mrs W also received a number of credits related to the scam, which I’ve outlined below.

The payments related to this scam are as follows:

Date	Amount	Description
07/05/2019	£5,000	Foreign payment (plus £25 fee)
02/07/2019	£2,000	Credit from investment
16/07/2019	£4,966.72	Credit from recalled payment
18/07/2019	£4,966	Foreign payment (plus £25 fee)
Total loss (inc. fees)	£3,049.28	

When Mrs W tried to withdraw a large amount of her returns – which she believed to be around \$67,000 – from the platform, the account manager told her she'd need to pay several fees totalling around £10,000 to release the funds. When Mrs W questioned these charges, especially why overseas taxes applied when she already paid UK taxes, the account manager suggested she invest an extra £10,000, promising to match the amount and further increase her profits. At that point, Mrs W became suspicious, refused to make further payments, and realised she'd been scammed.

In January 2021 Mrs W raised a scam claim with Santander, but Santander refused to refund what she'd lost. It said the scam wasn't covered by the Contingent Reimbursement Model ("CRM") Code, as the payments were made overseas, so it wasn't responsible for refunding them.

Mrs W made a complaint to Santander. She highlighted that she's banked with it for 25 years and had never made international payments before this incident. She believes Santander failed to contact her about these unusual transactions or to provide any scam warnings, despite the drastic change in her financial activity. Mrs W requested Santander refund the money she's lost, compensate her £250 for the distress caused, and pay 8% interest on the money lost.

Santander didn't uphold Mrs W's complaint. In its response it reiterated that the payments weren't covered by the CRM Code, and it added that it wasn't responsible for refunding them as Mrs W authorised the payments.

Mrs W remained unhappy so she referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. She explained she didn't think the payments stood out as particularly unusual, so she didn't think Santander ought to have intervened before it made them. She also noted the initial payment for £5,000 had been refunded to Mrs W, so she didn't make a finding on that one.

As Mrs W didn't accept the investigator's opinion, the case has been passed to me to make a 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.

I'm sorry to disappoint Mrs W but having considered everything I'm afraid I'm not upholding her complaint. This is however for different reasons, which I've explained below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services

Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mrs W authorised these payments from leaving her account. It's accepted by all parties that Mrs W gave the instructions to Santander and Santander made the payments in line with those instructions, and in line with the terms and conditions of Mrs W's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

I should start by setting out that the payment for £5,000 made on 7 May 2019 was returned to Mrs W on 16 July 2019. I've discussed this further under the "Recovery of the funds" section below, but I haven't considered it as part of the complaint.

Mrs W made the payment on 18 July 2019 for £4,766 using online banking, and as such, there wasn't any interaction with Santander at the time. So I can't say Santander missed an opportunity to pick up on anything suspicious in the regard.

But having considered the activity on Mrs W's account in the months before the payment was made, I'm persuaded that it was sufficiently unusual that Santander ought to have realised this. Mrs W's account was generally used for similar transactions every month, these primarily being one credit and one direct debit of around £289. So it's fair to say a one-off international payment of almost £5,000 was out-of-character.

Despite this, I think it was reasonable for Santander to process the payment in line with Mrs W's instruction, without intervening.

There's a fine line between a bank fulfilling its obligation to protect its customers from fraud, and the bank carrying out its customers' instructions without unduly inconveniencing them. And at the time Mrs W made the payment, I don't think Santander had sufficient grounds to delay or block the payment.

I say this because it's not completely inconceivable that someone would make a payment that falls outside of their usual account activity. And whilst banks need to be on the lookout for their customers being victims of financial harm, I'd usually only expect a bank stop or delay a payment to intervene if it saw an emerging pattern resembling fraud and therefore had grounds to do so – such as multiple transfers in quick succession, or the type of payee or merchant being paid raising additional concerns. In this case the payment was the only international payment Mrs W had made in several months, and I'm unable to find that there were any warnings related to the payee, or that Santander failed to identify that it was related to fraud in any other way. So I'm not persuaded that Santander missed the chance to stop the scam by not intervening.

I do note that Santander says it showed Mrs W a warning screen online before the payment was made, and it has provided a copy of that screen. The warning includes "Never make a payment for an investment/timeshare or recovery as a result of a cold call". Santander's notes from the time Mrs W initially reported the scam in 2021 suggest that's what happened here, and that Mrs W was contacted by phone and given information about investing in Bitcoin. I am however mindful that this scam took place over five years ago, and I'm unsure whether the same warning screen would've been displayed then, or whether it would've looked the same as the copy Santander has provided. But even so, I'm satisfied that it wouldn't have been unreasonable for Santander to process the payment even without showing the warning, so this doesn't change things.

I've seen Mrs W's representative's response to the investigator's opinion that the payment warranted an intervention of a telephone call from Santander before it was processed. But for the reasons I've explained I don't agree, so this doesn't change my decision in this case.

Recovery of the funds

In relation to the payment of £5,000 made on 7 May 2019, this was recalled and £4,966.72 was refunded to Mrs W on 16 July 2019. I've asked Santander for further information about this and it has provided a call from 17 May 2019 in which Mrs W contacted it to advise there was a tax issue with the payment and it needed to be sent elsewhere. The initial payment was recovered in full, and although the credit amount differs due to a difference in the exchange rates on the date the recall was processed, there's nothing more I'd have expected Santander to do about this.

I can also see from Santander's notes that it attempted to recall payment Mrs W made on 18 July 2019 as soon as it was made aware of the scam, in January 2021.

I can't see that Santander managed to recall the this payment, but as it was sent overseas, the receiving bank isn't required to follow the same rules as those based in the United Kingdom in regard to complying with recovery requests, and I can't see Santander received a response. But it's important to bear in mind that as the scam claim was raised almost 18 months after the payment was made, it's very unlikely any funds would've remained in the receiving account in any case.

I'm very sorry that Mrs W has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Santander responsible for that.

My final decision

I don't uphold Mrs W's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 6 February 2025.

Sam Wade
Ombudsman