

The complaint

Mrs S complains that Santander UK Plc didn't protect her from an investment scam.

Mrs S is being supported in making her complaint by her husband. But for ease, I'll only refer to Mrs S 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.

Mrs S made the following payment from her Revolut account to a FCA regulated firm, which I'll refer to as 'NP' as part of an investment opportunity she was presented with by a broker.

Date	Transaction type	Amount
5 October 2020	Faster payment	£15,000

Mrs S has told us she had used this broker previously for another investment, which at the time was still going well. She thought the payment she made to 'NP' was being invested in a one-year ISA Bond with a company, which I'll refer to as 'ACF', who were also an FCA regulated company. However, Mrs S has said she has since found out her investment was made to an unregulated subsidiary company of 'ACF', which I will refer to as 'ACI'.

Mrs S received two interest payments (£607.50 on 31 December 2020, and £594.31 on 22 July 2021) which were paid six monthly into a joint account Mrs S held with her husband at another bank.

'NP' was placed into Creditors' Voluntary Liquidation in August 2021 and 'ACF' went into Administration in August 2022. As a result, Mrs S felt she had been a victim of a scam as she believed she was investing into a regulated product and not an unregulated one as was the case. To put things right she would like Santander to provide her with a full refund.

Mrs S made the complaint to Santander, but it didn't uphold it. In short, it said that this was a civil dispute between Mrs S and 'NP/ACF'.

Mrs S did not agree and brought her complaint to this Service.

One of our Investigators considered the complaint but didn't uphold it. Essentially, she said she wasn't persuaded that Mrs S had fallen victim to a scam. The Investigator went on to say even if Santander had intervened, because there wasn't (and still isn't) enough persuasive information in the public domain to suggest 'ACF' were likely operating as a scam, any questioning from Santander would not have given Mrs S any obvious cause for concern.

Mrs S did not agree and so the case has been passed to me to make a final 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.

Having done so, I've come to the same outcome as our Investigator and for similar reasons.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Under the Contingent Reimbursement Model (CRM) Code, the starting principle is that a firm should reimburse a customer who is the victim of an Authorised Push Payment (APP) scam (except in limited circumstances). But the CRM Code is quite explicit that it doesn't apply to all push payments. It says:

"This Code does not apply to: (b) private civil disputes, such as where a customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

So, the CRM Code isn't a general protection for consumers. Instead, it only applies in very specific circumstances – where the customer has been the victim of a scam. In order for me to conclude that Mrs S has been the victim of a scam, I'd have to be satisfied that 'ACF/NP' deliberately deceived Mrs S into making a payment for services they had no intention of providing at the time she made it. I'm not persuaded I can say that is most likely what happened here, and I will explain why:

- Mrs S has provided us with a certificate of investment from 'ACF' dated 14 June 2021, which mentions she was the registered holder of a £15,000 bond with 'ACI' which is the unregulated company, with a redemption amount of £70,000 on 31 December 2022. However, Mrs S hasn't been able to provide us with any other evidence of the product she invested in and the only correspondence Mrs S received from 'NP' was an email dated 23 August 2021, when 'NP' informed her they had been placed into Creditors' Voluntary Liquidation as of 20 August 2021. I therefore can't be sure the funds weren't invested as Mrs S claims she was told they would be at the time.
- Whilst 'NP' were placed into Creditors' Voluntary Liquidation in August 2021 and 'ACF' went into Administration in August 2022, both 'NP' and 'ACF' were active and FCA registered since 2015 and registered on Companies House at the time.
- Mrs S also received two interest payments (£607.50 on 31 December 2020, and £594.31 on 22 July 2021) which were paid six monthly into a joint account Mrs S held with her husband at another bank, before 'ASF' went into liquidation. And so, she did receive returns from the investment, which isn't a common indicator of a scam.
- I've been unable to find any information online suggesting 'NP' or 'ACF' is or was running as a scam.

While I understand Mrs S feels very strongly about this matter, I don't think it's been sufficiently demonstrated that Mrs S made the payment as part of a scam at this time. And so, I consider Santander acted fairly in concluding that Mrs S has a civil dispute with 'NP/ACF' which means her payment is not covered by the CRM Code.

I've also considered whether it would be fair and reasonable for Santander to refund Mrs S. This is because, taking into account the regulatory rules and guidance, 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.

Although these are similarly predicated on there having been a fraud or scam, I don't think if Santander had carried out such checks it would've made a difference. Here, I'm also aware that Santander did speak with Mrs S before processing the payment. Unfortunately, due to the time that has since passed, a recording of the call isn't available. In any event, I don't consider proportionate probing of the payment would've uncovered anything of concern to Santander. This is because the investment was recommended by a trusted broker whom Mrs S had used previously, with success. She was also making the payment to a FCA registered firm, and there wasn't any information in the public domain to suggest 'NP' or 'ACF' weren't legitimate companies. And so, I don't think Santander would've had sufficient reason to suspect Mrs S wasn't making the payment for anything other than a genuine investment opportunity.

I'm sympathetic to Mrs S's situation and the money she's lost. And so, it's understandable why she would do everything she can to try and recover it. But I can only direct Santander to refund her if I think they are responsible, or if the payment was covered under the CRM code. And for the reasons I've explained, I don't think Santander has acted unreasonably by not refunding the payment.

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 Mrs S to accept or reject my decision before 14 May 2025.

Israr Ahmed
Ombudsman