

The complaint

Mr K has complained that Santander UK Plc (“Santander”) failed to protect him from falling victim to an employment-related 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.

Mr K explains that in November 2023 he was contacted on a popular messaging app by a an individual (“the scammer”) offering employment. The scammer claimed to be from Singapore but they said they were based in London. They offered Mr K a commission-based job via an app whereby Mr K was told that he would be reimbursed with commission if he made payments and completed specific sets of tasks. Mr K was also told he’d receive a basic salary as well as bonuses for logging in and completing tasks on consecutive days.

Mr K was given access to a “workbench” where he could see his work account “balance” and track the tasks he’d completed. He was also able to see the tasks he’d been assigned and the commission level for the tasks he was allegedly completing.

To facilitate the scam Mr K made payments to his own wallet at a cryptocurrency exchange. He then purchased cryptocurrency which he sent to the scammer, under the impression he was paying for the ability to carry out the tasks and earn commission. Between 12 November and 19 November 2023 Mr K made 20 payments with a total value of £3,683. All payments were transfers made using the Santander app on Mr K’s mobile phone, except for the final payment with a value of £800, which was done during a phone call between Mr K and Santander.

The payments Mr K has complained about are as follows:

	Date	Amount
1	12 November 2023	£20
2	13 November 2023	£90
3	13 November 2023	£65
4	13 November 2023	£83
5	13 November 2023	£1
6	13 November 2023	£5
7	14 November 2023	£85
8	14 November 2023	£85

9	14 November 2023	£85
10	15 November 2023	£84
11	15 November 2023	£84
12	15 November 2023	£75
13	15 November 2023	£73
14	15 November 2023	£84
15	16 November 2023	£84
16	16 November 2023	£540
17	16 November 2023	£740
18	18 November 2023	£400
19	18 November 2023	£200
20	19 November 2023	£800
Total		£3,683

Mr K says the initial payments he made were reimbursed by the scammer, which is what convinced him to continue completing the tasks. But soon after this the payments began to increase significantly. Mr K eventually told the scammer he no longer wanted to continue as he was unable to continue making increasingly large payments.

Mr K says at this point he realised he'd been scammed. He contacted Santander but was unhappy with its response. Mr K feels the bank failed to protect him from the scam. He is seeking reimbursement for the money lost and improvements in Santander's protections to prevent similar situations from happening in the future.

Santander didn't uphold Mr K's complaint. It said that the payments aren't covered by the Contingent Reimbursement Model Code ("CRM Code") as they were made to Mr K's own account at a cryptocurrency exchange. So it didn't refund what Mr K had lost and directed him to contact the cryptocurrency exchange to request a refund. Mr K remained unhappy so he referred his complaint to this service.

Our investigator considered everything and thought the complaint should be upheld. He thought Santander should refund the final payment Mr K made, as it was done during a phone call and Santander had failed to provide a recording of that call. So he concluded that he couldn't be sure that Santander asked enough questions to satisfy itself that the payment wouldn't result in financial harm to Mr K.

As Santander 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.

Having done so I'm upholding Mr K's complaint, broadly for the same reasons as our investigator, which I've set out 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 Mr K authorised these payments from leaving his account. It's accepted by all parties that Mr K gave the instructions to Santander and Santander made the payments in line with those instructions, and in line with the terms and conditions of Mr K'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 noting I accept that this complaint isn't covered by the CRM Code as Mr K made the payments to his own account, that he had control of. Although Santander has repeated this point several times, that's not what's in dispute here. Santander still has a duty to monitor for, and protect its customers from, the risks of financial harm.

Having carefully considered all of the payments Mr K made as part of this scam, as well as what Santander did, I'm satisfied that it was reasonable for Santander to process the first 19 payments in the way that it did.

When Mr K initially created the payee to make payments to his cryptocurrency wallet, he was asked for the purpose, to which he told Santander he was making a cryptocurrency investment. Santander proceeded by asking questions related to whether Mr K had verified the company he was making the payment to, and done other checks, and gave him a general warning broadly covering scam risks associated with the type of payment.

When Mr K sent the following 18 payments, he wasn't shown any further warnings, but he was asked for the purpose. He selected "making an investment" and "sending money to my own account" interchangeably, and the payments were processed in line with Mr K's instructions.

Given the modest values of all of the payments, and the fact they were being made to Mr K's own account, albeit at a cryptocurrency exchange, I don't think Santander needed to intervene any further. I do note that on some days multiple payments were made in the same day, but even considering this, the cumulative values remained fairly low, and the overall pattern isn't typical of a scam. The payments didn't increase, but in fact occasionally decreased, and Mr K also received multiple credits into his account from the payee he was sending the payments to.

Santander says that it initially declined to make payment 20 as it triggered its fraud detection systems. Following this Mr K phoned Santander and explained what had happened. The agent he spoke to confirmed the payment amount and payee, and asked Mr K if he'd paid the same payee previously. When Mr K confirmed he had, the agent proceeded to make the payment again, without asking any further questions.

Although the payment wasn't for a particularly high value, given that it had been identified as potentially fraudulent or scam-related, specifically because it was being made to a cryptocurrency platform, I'd have expected Santander to ask Mr K more robust questions when it had the chance to, during its call with him. If Santander had asked Mr K for further details on why he was making the payments, the circumstances behind them, the frequency,

and why they were being made to a cryptocurrency platform, I'm persuaded Mr K would've been honest about the employment opportunity he believed was legitimate.

Had Santander done what it ought to have, I'm satisfied that Mr K would've revealed he was making the payments in order to earn money by working online, and Santander would've uncovered the well-known scam. It could then have given Mr K a specific warning about the scam he'd fallen victim to, and I'm persuaded Mr K then wouldn't have made the payment.

With this in mind I agree with the investigator that Santander is responsible for the loss caused by payment 20, and I therefore uphold Mr K's complaint.

Is Mr K responsible for any of his losses?

I've also thought about whether Mr K did enough to satisfy himself that the job opportunity he was allegedly sending money to take part in was genuine and wouldn't result in him losing that money.

I accept that Mr K has fallen victim to a carefully crafted scam here, and I know the workbench Mr K was provided access to looked somewhat convincing.

But it's very unusual for a recruiter to contact a prospective candidate out of the blue, and offer them a job through a messaging app, without having ever spoken to them. I'm also not aware that Mr K did any checks to verify the recruiter or the job opportunity, nor received any kind of paperwork or employment contract showing what he thought he'd been offered, or what he'd agreed to do in return. This, as well as having to pay in cryptocurrency to earn money in return, isn't a plausible scenario.

With this in mind I think it's fair for the responsibility of Mr K's loss to be shared equally between Mr K and Santander.

Recovery of the funds

I've seen that Santander contacted the receiving bank when it was made aware the Mr K had been scammed, but it appears it wasn't able to recover the funds Mr K lost.

In this scenario I wouldn't have expected Santander to do any more as Mr K has confirmed the payments were made to his own cryptocurrency account, which he had control of.

Mr K used the proceeds of the payments to purchase cryptocurrency, so he'd effectively spent them, meaning they no longer have remained in the recipient's account.

Any funds Mr K didn't use to purchase cryptocurrency would've remained in his own wallet at the cryptocurrency platform, so I wouldn't consider them to be a loss, and therefore I wouldn't expect them to be recovered.

Putting things right

To put things right I require Santander to:

- Refund Mr K 50% of payment 20 and;
- Pay 8% simple interest on that amount, from the date the payment left Mr K's account until the date of settlement*.

*If Santander considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr K how much it's taken off. It should also give Mr K a tax deduction certificate if he asks for one.

My final decision

I uphold Mr K's complaint and require Santander UK Plc to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 January 2025.

Sam Wade
Ombudsman