

The complaint

Mr L complains that Santander UK Plc (Santander) is refusing to refund him the amount he lost as the result of a scam.

Mr L is being represented by a third party. To keep things simple, I will refer to Mr L 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.

In summary, Mr L was contacted by phone by a company I will call "X". X advised Mr L that it was working with cryptocurrency exchanges and that Mr L could make profits if he was to invest in its trading platform. As a result, Mr L made payments from his Santander account to cryptocurrency exchanges, and from there to X's platform. Mr L now believes the cryptocurrency exchanges he made payments to on advice of X were clones of legitimate companies.

As part of the investment process Mr L was required to download screensharing software which X used to help Mr L navigate its trading platform.

Mr L made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	22 September 2020	Payward	Transfer	£300.00
2	25 September 2020	Binance	Transfer	£1,500.00
3	25 September 2020	Binance	Transfer	£400.00
4	5 October 2020	Binance	Transfer	£1,500.00
5	12 October 2020	Binance	Transfer	£2,000.00
6	19 October 2020	Binance	Transfer	£3,200.00
7	13 November 2020	Payward	Transfer	£5,200.00
8	19 October 2020	Binance	Credit Card	£2,000 plus £60 fee

Our Investigator considered Mr L's complaint and didn't think it should be upheld. Mr L 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.

It has not been disputed that Mr L has fallen victim to a cruel scam. The evidence provided by both Mr L and Santander sets out what happened. What is in dispute is whether Santander should refund the money Mr L lost due to the scam.

Mr L feels that he made the disputed payments to clones of legitimate cryptocurrency exchanges. But both exchanges Mr L made payments to have confirmed that he held accounts with them, so I am persuaded he made the payments to the genuine exchanges.

Recovering the payments Mr L made

Mr L made payments into the scam via card and the method of transfer. 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, Mr L made his complaint to Santander outside of the allowed time to raise a chargeback and therefore Santander has been unable to attempt a chargeback for the payments Mr L made into the scam by card.

When payments are made via transfer Santander's recovery options are even more limited. Santander could have contacted the provider of the payee's account to request a refund of any funds that remained, but considering the time that passed between Mr L making the payments and making his complaint I think this is unlikely to have been successful.

In addition to the above it appears that Mr L made the disputed payments in exchange for cryptocurrency that was provided to him, and it took further action for the funds to fall into the hands of the scammer. So, any recovery attempt would have no prospects of success in any event.

Should Santander have reasonably prevented the payments Mr L made?

It has been accepted that Mr L authorised the payments that were made from his account with Santander, albeit on X's instruction. So, the starting point here is that Mr L 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 Mr L made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr L has disputed took place a long time ago and as such limited information is now available. At the time Mr L made the payments cryptocurrency related scams were not as common as they have been in the years since. As scams in relation to cryptocurrency have evolved so have the banks response to such payments.

I have considered what I would have expected to see from Santander at the time the payments were made.

The payments Mr L made from his Santander account were being made to a genuine cryptocurrency exchange over a three-month period and were generally of a value I would

not have expected to cause Santander concerns that Mr L may have been at risk of financial harm.

However, when Mr L made payment 7 he was making a payment of over £5,000 and I think Santander should have intervened at this stage. Given the time at which the payment was made a think a proportionate intervention would be for Santander to have provided a general scam warning to Mr L.

I can see that Santander did provide a warning to Mr L when he made payments 3,6 and 7. The warning stated:

*“Could this be an investment scam?
Anyone cold calling with investment opportunities are likely to be criminals. If you are suspicious, please stop now.”*

While I think Santander could have provided a more detailed warning, the warning that was provided specifically applied to the circumstances Mr L found himself in. He had received a call from X advising him of an investment opportunity. Yet Mr L continued with the payments having been presented with this warning.

There is limited information available from the time the payments were made, and I’m not sure why Mr L decided to continue with the payments having been presented with the warning, but with this in mind I don’t have enough to say that Mr L would have taken notice of a more detailed warning.

In addition to this X offered a return of 200% on Mr L’s investment. I think this rate of return was too good to be true and should have been a red flag to Mr L causing him to have concerns. Had Mr L paused before continuing to make the payments and sought advice, be that professional, or via friends and family I think it’s likely the scam would have come to light and Mr L’s loss would have been prevented.

With the above in mind, I don’t think Santander missed an opportunity to prevent the scam and it is not responsible for Mr L’s loss.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 20 June 2025.

Terry Woodham
Ombudsman