

The complaint

Mr E complains that Santander UK Plc ('Santander') won't reimburse the funds he lost when he says he fell victim to a scam.

What happened

Mr E was referred by a friend to a firm of solicitors I'll refer to as S in this decision to submit a naturalisation application to the Home Office. He attended S' office and then made transfers to S' account of £1,540 on 15 July and £400 on 25 July 2022, as the person he was dealing with said that S didn't have a card reader.

Mr E says that S didn't complete his application and that the person he dealt with was a fee earner but not a solicitor. He says that the representative of S didn't respond to requests for information from the Home Office and so his application was rejected. Mr E says that he is the victim of a scam. He reported the matter to Santander.

Santander said Mr E has a civil dispute with S, so it is not responsible for his loss.

Mr E was unhappy with Santander's response and brought a complaint to this service. He maintained he is the victim of a scam and should be reimbursed.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. She agreed that Mr E has a civil dispute with S which isn't covered by the Contingent Reimbursement Model Code ('CRM Code').

Mr E didn't agree with the investigator's findings and asked for a final response, so his complaint has been passed to me to decide. He believes that S didn't do what it said it would do, and that its representatives were unprofessional and aggressive.

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 appreciate Mr E has lost money, but that doesn't of itself mean that Santander is responsible or that it now needs to refund him.

In broad terms, the starting position in law is that Santander is expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's).

The CRM Code provides protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an authorised push payment (APP) scam, as set out in it, is met. This definition includes when a customer transfers funds to another person for what they believe are legitimate purposes which were in fact fraudulent.

The CRM Code is explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

“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.”*

In this case I'm persuaded that Mr E has a civil dispute with S which is not covered by the CRM Code and that Santander is not responsible for his loss. I will explain why.

S is a legitimate firm of solicitors that is registered with Companies House and regulated by the Solicitors Regulation Authority (SRA). S has two email addresses, one of which I have seen on a confirmation of payment from the Gov.uk website. The confirmation shows Mr E's name and that payment of £1,330 has been successfully received. I have also seen confidential information from S' bank which confirms this payment was made from S' account. In the circumstances, I'm satisfied that Mr E's funds were used for the intended purpose and not for any fraudulent purpose.

Mr E has also provided this service with an email from the Home Office to S which relates to him. This email refers to S not providing further evidence in respect of Mr E's application. I don't know why this evidence wasn't supplied. But it's clear that S provided a service to Mr E and started a process with the Home Office. If Mr E is unhappy about the service S provided to him, S has a complaints process he can follow if he hasn't already done so, and, ultimately, there is the option of a referral to the Legal Ombudsman. But this is not a matter for his bank.

I'm also not persuaded that Santander did anything wrong in processing the payments. They were relatively low in value and there was a confirmation of payee match, so Santander had no reason to have any concerns.

Overall, whilst I'm sorry to hear about Mr E's experience, I can't fairly hold Santander liable for his loss.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 31 March 2025.

Jay Hadfield
Ombudsman