

The complaint

Mrs S complains that Santander UK Plc won't refund the money she says she's lost to a fraudulent company.

What happened

Between 30 March and 3 April 2024, Mrs S deposited a total of £13,200 into a gambling account she'd created with a company I'll refer to as 'G'. She's explained that she placed and won some bets and had a balance of around £22,700 on her gambling account, but she has been unable to withdraw funds. Mrs S' research has shown that G has been operating illegally, without a UK gambling licence. She believes that G is accepting deposits and allowing customers to place bets with no intention of paying out winnings.

Mrs S has complained that Santander hasn't done anything to try and get her money back from G, and it has taken no responsibility for allowing payments to be made to G from her bank account.

Our investigator didn't uphold Mrs S' complaint. Mrs S asked for her case to be reconsidered by an ombudsman, so it 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.

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

Mrs S has provided lots of convincing evidence that G was/is not licensed to trade with consumers in the UK. But the question for me to decide here is whether Santander has done anything wrong that it needs to put right. Looking at everything, I don't think it has.

It's common ground that the payments Mrs S made to G were authorised under the Payment Services Regulations and the terms and conditions of her bank account. By Mrs S' own admission, she was not defrauded in the sense that someone else made the payments from her account without her knowledge or consent and/or she wasn't tricked into making payments. So, the starting point is that Santander had an obligation to follow Mrs S' payment instructions, and Mrs S is presumed liable for her loss in the first instance. But that's not the end of the story. There are circumstances in which a bank should make additional checks before processing a payment, or in some cases, decline to make a payment altogether, to help protect its customers from the possibility of financial harm. I consider that Santander should:

- Have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering and the financing of terrorism.

- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.

I've looked at Mrs S' bank account statements and I think it's reasonable to expect Santander to have intervened in the payments she was making to G on or around 2 April 2024. But even if it had intervened, by contacting Mrs S and asking her some questions about the payments she was making, I don't think this would have made a difference in the circumstances. Mrs S was making the payments of her own volition, she held an account with G which she was paying money into in order to place bets, she was receiving winnings into that account from some of those bets and she hadn't yet experienced problems withdrawing funds from her account with G. So, if Santander had reached out to Mrs S, I think it's likely that the bank would've been reasonably satisfied, from the information it would probably have obtained, that nothing was amiss.

I've thought about whether Santander ought to have done more to try to recover Mrs S' funds but I don't think there were any reasonable prospects of successful recovery here. Mrs S paid money into her account with G and successfully placed bets with it, so it wouldn't have been available to recover.

I'm very sorry to hear about the unenviable situation Mrs S has found herself in. She has my sympathies. But I'm not persuaded that Santander ought reasonably to have prevented her financial loss in this case, so I don't think it would be fair or reasonable to require the bank to reimburse her.

My final decision

For the reasons I've explained, 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 26 June 2025.

Kyley Hanson
Ombudsman