

The complaint

Mr D complains that Santander UK Plc ('Santander') won't refund the money he lost after a car he purchased was seized.

What happened

In January 2023, Mr D was looking for a car online. He found a car he was interested in advertised on a well-known car marketplace. Mr D arranged with the seller to meet up and view the car, with the intention to purchase it if he was satisfied.

The car was being advertised for sale by a company. Mr D searched online and found they were a genuine UK company.

At the end of January 2023, Mr D met with the seller and saw the car. Mr D says the car matched the pictures he'd seen, as did the car registration. Mr D was happy to proceed with the purchase and used his old car as a trade-in, which reduced the purchase price to £30,500.

Mr D made payment using his Santander debit card on 27 January 2023.

In November 2023, the police seized Mr D's car. They say the car was reported stolen in October 2022.

Mr D raised a scam claim with Santander in November 2023. Santander declined to refund Mr D saying he had authorised the payment, and he was raising his dispute outside the chargeback time limits.

Unhappy with Santander's response, a professional representative brought Mr D's complaint to our service.

The professional representative says:

- Mr D was particularly vulnerable due to medical conditions.
- Santander should've been concerned and intervened when he made the payment.
- Santander didn't do enough to protect him.

An investigator looked into Mr D's complaint but didn't uphold it. The investigator explained that under chargeback, Mr D had to raise his dispute within 120 days of making the payment, but he exceeded this time limit. And, even if Santander had intervened when Mr D made the payment, his loss wouldn't have been prevented, as there was nothing to suggest Mr D was potentially the victim of fraud.

Mr D disagreed with the investigator's view and asked for an ombudsman to review his case. Mr D referred to a case issued by our service with a different outcome than his.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

I'm really sorry that Mr D has lost a significant amount of money, which is seriously impacting his financial and physical wellbeing. I realise that Mr D is going to be very disappointed, but having carefully considered the evidence, I've reached the same answer as the investigator. I'll explain why.

In broad terms, the starting position at law is a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here, it's not in dispute that the payments were authorised, albeit Mr D did so not realising he was buying a stolen vehicle – but that doesn't make the payment unauthorised. So, the starting position is that Santander isn't liable for the transactions.

Mr D made his payment using his debit card, which means his payment isn't covered by the Contingent Reimbursement Model Code (CRM Code). The CRM Code doesn't cover card payments so I can't apply the provisions of the CRM Code to Mr D's payment – including the provisions relating to vulnerability.

As Mr D's payment was made using his Visa debit card, the relevant consideration is Visa's card scheme called chargeback. Chargeback deals with disputes between card issuers (Santander) and merchants (the company selling the vehicle).

Chargeback isn't an automatic right, and banks don't have to raise a chargeback where there isn't a reasonable prospect of success. But we consider it good practice for them to raise a chargeback where rights exist.

The chargeback scheme has fixed time limits, which say a dispute has to be raised within 120 days of the payment. In this case, Mr D made his payment in January 2023, but didn't raise his dispute with Santander until November 2023, which is outside of the time limit imposed by the card scheme. There is an additional time limit which applies for purchases where the goods are received at a later date, for example, concert tickets. But this doesn't apply to Mr D's case as he received the goods on the day he made the payment.

So, there wasn't a valid chargeback right by the time he raised his dispute with Santander. On that basis, I can't fairly say Santander did anything wrong in not raising a chargeback.

But I also have to consider whether Santander could've prevented Mr D's loss.

There is an obligation on Santander to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and

identifying suspicious activity that appears out of character. In situations where potential fraud is identified, I would expect Santander to intervene and attempt to prevent losses for the customer.

In this case, Santander didn't identify a potential risk of financial harm. But, even if they should have, I'm not persuaded that intervention would've prevented Mr D's loss. I'll explain why.

If Santander had concerns, I would've expected them to call Mr D to discuss the payment. As part of that, Santander should have asked open questions about the payment Mr D was making. I think it's more likely than not Mr D would've told Santander that he was buying a car he'd seen advertised on a well-known car marketplace. He'd researched the company selling the car, found they were genuine and hadn't seen any concerning information. Also, he wasn't paying for the car until he had seen it in person, made sure it matched the details of the advert and that he was happy with it.

Based on this information, I wouldn't have expected Santander to have been concerned that Mr D was potentially the victim of a scam or have expected them to prevent his payment. So, I can't fairly say Santander could've prevented Mr D's loss.

Mr D has referred to a decision our service issued on another case. But I have to reach an answer based on the specific circumstances of Mr D's complaint. And, for the reasons given above, I'm not satisfied that I can fairly hold Santander liable for his loss or ask them to refund him.

My final decision

My final decision is that I don't uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 June 2025.

Lisa Lowe
Ombudsman