

Complaint

Mr A and Mrs M complain that Santander didn't do enough to protect him when he was the victim of a scam. This is a joint complaint, but it was Mr A who interacted with the scammer and so I've referred mainly to him in the text of this decision.

Background

In October 2023, Mr A booked return flights through a travel agent. He paid £526.77 by debit card. However, when he received the tickets, he noticed something didn't look right. The travel dates were different to the ones he thought he'd booked, and the ticket had been issued in someone else's name. Mr A tried to contact the travel agent who'd assisted with the booking, but no one responded to his calls. He concluded he'd been scammed and promptly reported the matter to Santander.

Santander raised a chargeback dispute on Mr A's behalf. However, the merchant defended it. It argued that it had provided the services contracted for – in other words, a person had used the airline tickets.

Mr A wasn't happy with that response and so he referred his complaint to this service. An Investigator looked into things but didn't think the complaint should be upheld. Mr A disagreed with that outcome and so the matter has been passed to me to make a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. It's common ground that Mr A authorised the payment and so he is presumed liable at first instance.

However, that isn't the end of the story. Good industry practice required that Santander be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to protect the customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

In this case, we now know that Mr A was the victim of a scam. But I have to assess whether Santander ought to have identified the risk of fraud at the time the payment was made given the information it had at its disposal. Having looked at that information, I don't think Santander would've had reasonable grounds to think Mr A was at risk of financial harm due to fraud. The payment amount wasn't unusually high, and it didn't appear out of character for

how Mr A used his account. I don't think it was wrong for Santander to process the payment without intervening.

I've also considered whether Santander could've done more to recover the money once Mr A reported the scam. It raised a chargeback dispute, which was the right step in the circumstances. Chargeback is a voluntary scheme operated by the card networks – in this case, Mastercard – and it provides a way to resolve disputes between cardholders and merchants. However, the scheme has strict rules and limited grounds for challenging a transaction. In Mr A's case, the merchant defended the chargeback by saying that the airline tickets were valid and had been used. While I understand Mr A didn't intend for someone else to benefit from the booking, technically the merchant had fulfilled the terms of the contract. There isn't a clear basis in the chargeback rules for disputing a transaction in this sort of situation and so I think the Investigator was right to say that it didn't have any realistic prospect of success.

I don't say any of this to downplay the fact that Mr A has fallen victim to a cruel scam. I have a great deal of sympathy for him and the position he's found himself in. However, my role is to look at the actions and inactions of the bank and I'm not persuaded it did anything wrong here.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs M to accept or reject my decision before 30 May 2025.

James Kimmitt
Ombudsman