

The complaint

Miss C complains that Santander UK Plc (“Santander”) didn’t do enough to protect her when she fell victim to a scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them in full here. Instead, I’ll summarise what happened and focus on giving the reasons for my decision.

Miss C made payments from her Santander accounts between December 2018 and November 2020 totalling over £50,000, having fallen victim to a romance scam.

Miss C reported the matter to Santander in March 2023. Santander didn’t reimburse the lost funds. It said she’d authorised the transactions and that they didn’t fall under the scope of the Contingent Reimbursement Model (CRM) code.

Unhappy with this, Miss C brought the complaint to our Service, via a representative. She feels that, particularly due to her vulnerabilities, Santander should have intervened with the payments she made, beyond what she describes as general pop-ups. And that this intervention would have uncovered the scam.

Our investigator considered the complaint. He agreed that the disputed payments wouldn’t be covered by the CRM code. He thought that Santander should have intervened with a payment in February 2019 which was for £11,400 and would have appeared significantly out of character given the usual operation of the account.

But, he didn’t think an intervention would have made a difference as the communication between Miss C and the scammer contained multiple references to getting payments through without them being stopped by the bank. So, if Santander had intervened, he didn’t think Miss C would have given accurate responses for the payment purposes and, if necessary, would have used an alternative account to make the payments. So, overall, he didn’t uphold Miss C’s complaint.

Miss C disagreed. She emphasised her vulnerability and stated that Santander had failed in its duty of care. But our investigator didn’t think Santander could have made assumptions about her having a vulnerability and so, ultimately, felt that it couldn’t fairly be held liable for Miss C’s losses.

As Miss C remained unhappy, the complaint was passed to me. I got in touch with Miss C informally, via her representative, as our rules allow. I explained that I wasn’t minded to uphold this complaint. I could see that the relationship was already well-established by August 2018 and that money was being sent around this time, through alternative finance providers.

By September 2018, Miss C was borrowing money from friends to be able to meet the requests from the scammer – with one of her friends intervening at that point, to no avail.

And by December 2018, when the payments from Santander started, discussions had turned to moving countries to be together and getting married. So, based on how far under the spell of the scammer Miss C was, I wasn't minded to think a proportionate intervention would have stopped her from making the payments. I also acknowledged Miss C's vulnerability, but agreed that Santander shouldn't reasonably have made assumptions about her, based on what it knew.

Miss C disagreed. She feels her vulnerability made her susceptible to the scam and thinks a permanent support marker should have been added to her account. She also said that Santander had blocked her account in September 2018 due to fraud concerns which should have triggered a more thorough investigation and would potentially have unravelled the scam.

I contacted Miss C to ask more about this as the scam payments didn't start from her Santander account until December 2018, so this didn't marry up with the information given. But I've had no further response on this and now consider it appropriate to issue my formal decision.

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.

Having done so, while I'm incredibly sorry that Miss C has been the victim of such a cruel and manipulative scam, I don't uphold this complaint – I'll explain why.

In broad terms, the starting position is that Santander would be expected to process payments 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.

But, taking the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, there are circumstances where it might be appropriate for a bank to take additional steps or make additional checks before processing payments in order to help protect customers from the possibility of financial harm from fraud.

In this case, as our investigator concluded, I think Santander should have intervened in February 2019 at the point at which a payment of £11,400 was made. I also think it should have intervened around a week later when a payment of £15,000 was made. But, I don't think a proportionate intervention would have made a difference in either case, and I'll go on to explain this further below. I don't consider that other payments warranted intervention on the basis that they were for much lower amounts and were relatively spaced out across a period of almost two years.

As above, and in my informal communication with Miss C, I don't think a proportionate intervention would have made a difference. I can see that in September 2018, when discussing a payment Miss C was intending to make to the scammer, she was advised to pretend they'd met. Miss C responds with *"If they ask if I've met I'm gonna say I met you while at uni. We'll make it work my love"*. As well as this, I can see from the communication that Miss C didn't take heed of a warning from another financial institution *"On hold for 45 minutes only to be told by them they've cancelled the transactions because they think you're a scammer! I'm absolutely furious!"* Nor did she take heed of a warning from her friend. Both of these warnings were prior to any of the disputed payments being made from her Santander account.

By December – when she started making payments from Santander – I’m persuaded that Miss C was invested in a relationship she truly believed to be genuine. So, factoring in all of the above, I don’t think proportionate enquiries from Santander would have uncovered the scam. Miss C has shown that she was willing to say what she needed to in order to make payments. Had she been met with resistance by Santander, I think it’s likely she would have used an alternative provider to make payments through. And I say this having seen from the communication that when Miss C encountered difficulties making payments through an international money transfer company, she found an alternative to use. I also note that she took out a loan during this scam, for which she gave the payment purpose as ‘home improvements’ which further supports that she was willing to give inaccurate information to ensure payments were made.

I’ve thought carefully about Miss C’s vulnerability. And while I acknowledge the extremely sensitive circumstances, and all the challenges Miss C has faced, I can’t see that Santander was made aware of these in any detail until the disputed payments had all been made. Based on what Santander could reasonably have known at the time of the payments, I don’t think it would have been fair to assume that Miss C was vulnerable to the extent that she was susceptible to financial harm.

But, based on what I’ve said above, had it intervened further, I still think she’d have found a means to make the payments.

For completeness, I must also reiterate that these payments pre-date the CRM code and/or were international payments so wouldn’t be covered by it.

Miss C has lost a huge sum of money to a scam that spanned a number of years. I’m so sorry for what she’s been through. But, based on everything I’ve seen, I don’t think it would be fair or reasonable to hold Santander liable for those losses.

My final decision

For the reasons given, I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss C to accept or reject my decision before 17 January 2025.

Melanie Roberts
Ombudsman