

## **The complaint**

Mr F has complained Santander UK plc did nothing to help when he ended up paying a fraudster for a holiday booking.

## **What happened**

In 2024, Mr F was the victim of a scam. He was looking to book a villa holiday and after finding something, he was contacted to suggest he use a renowned holiday booking site.

Mr F used his Santander credit card to make a payment of £245.68 in May. He realised it was a scam as he was asked to pay more funds for a different villa and then the property was unavailable. After contacting the holiday booking site, they confirmed they held no booking for Mr F.

Mr F asked Santander if they'd refund him.

Santander felt this transaction had been properly authorised by Mr F. They also confirmed the transaction had been completed without Mr F *"completing due diligence and card claims not in scope of the contingent reimbursement model"*. They wouldn't refund him.

Mr F brought his complaint to the ombudsman service. Our investigator noted that there was nothing specifically unusual about Mr F's transaction that would have meant Santander should have intervened. She wasn't going to ask Santander to refund Mr F.

Mr F disagreed with this outcome and has asked an ombudsman to consider his complaint.

## **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, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Mr F was scammed and has lost money.

There's no dispute that Mr F made and authorised the credit card payment. Mr F believed he was paying rental for a villa that he was looking forward to occupying.

I'm satisfied the transaction was authorised under the Payment Services Regulations 2017

It's generally accepted that Santander has an obligation to follow Mr F's instructions. In the first instance Mr F is presumed liable for his loss. But that's not the end of the story.

Our starting point is that banks are required to follow their customer's instructions. But,

taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable by 2024 that Santander should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- 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 (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment (as in practice Santander sometimes does including card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I've considered whether I'd have expected Santander to have recognised that this payment carried a heightened risk of financial harm from fraud. But I don't believe so. There's nothing specifically unusual about the transaction – in terms of its value or who was being paid – for Santander to have identified it as unusual.

Santander is correct that credit card claims are not covered by the CRM code.

I note that the use of copying a well-known holiday site is not an unknown fraud. But I don't see from Mr F's case that Santander could have identified this was what this transaction was or done more.

Overall, I don't believe it would be fair and reasonable to ask Santander to refund Mr F.

### **My final decision**

For the reasons given, my final decision is not to uphold Mr F's complaint against Santander UK plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 4 November 2024.

Sandra Quinn  
**Ombudsman**