

The complaint

Mr B has complained that Santander UK Plc (“Santander”) failed to protect him from falling victim to an impersonation scam and hasn’t refunded the money he lost in the scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr B has explained that in January 2024 he was contacted by an individual (“the scammer”) claiming to be calling from the police, explaining they’d arrested a suspect on suspicion of using a clone of Mr B’s debit card.

Mr B was given a number to call by the scammer to contact Santander’s fraud department. After some discussions Mr B was instructed by the scammer to visit a branch of Santander and withdraw £4,500, which the scammer told him should be put directly into an envelope so as to preserve any fingerprint evidence.

Mr B has explained that the scammer coached him on how to answer any queries by Santander; he was told to say he always withdraws money around the same time of year, and that he shouldn’t deviate from that story.

Mr B’s complaint against Santander arises from a sophisticated scam in which he was deceived into withdrawing and handing over large sums the what he believed was the police, who had convinced Mr B that he was assisting with their investigation into fraudulent use of his debit card. Under these false pretences, Mr B withdrew £5,000 from his Santander account and later exchanged £4,000 into euros at a foreign exchange booth.

Mr B has described how he was instructed by the scammer to give them information on his clothing and his whereabouts, and to keep an open phone line whilst visiting the branch, in order that the scammer, posing as a member of Santander’s fraud team, could track his whereabouts. He then handed over the cash in person following the withdrawal.

Santander’s involvement in the matter primarily relates to its handling of the cash withdrawal and debit card transaction to purchase the Euros, as well as the subsequent attempt to recover Mr B’s money.

Mr B has explained that when he visited the Santander branch to withdraw the £5,000 the cashier asked only a general question about his plans but didn’t raise concerns or alert him to potential fraud. He also says that shortly after, Santander sent a text message enquiring as to whether he’d been forced to hand over money under false pretences. But he says that by that point the withdrawal and handover to the scammer had already taken place.

Mr B says that after handing over the cash the scammer was supposed to take the funds to a nearby police station for forensic testing, but his brother tracked their movements and noticed they were travelling in the opposite direction to the police station. Mr B queried this

with one of the scammers he was speaking to by phone and was told he was probably going to take his car to the station, but that he shouldn't worry as the funds would be back in his account the following day. When Mr B didn't receive any money back he realised he'd been scammed.

Mr B contacted Santander's fraud team early the next morning and spoke to a representative who he says was understanding and sympathetic, and gave him case reference numbers for the two transactions involved. But he says that Santander told him that the transaction to the currency exchange service, which was still pending, couldn't be stopped. Mr B and his brother also asked Santander to check whether their online accounts had been accessed fraudulently. He says that Santander initially said that there had been no access for over a year, but Mr B later recalled a period where he had to check transactions online due to missing paper statements, which Mr B says suggests potential inconsistencies in Santander's security monitoring.

Mr B has explained the personal and financial impact of the scam, including his health issues and how losing his savings had affected his ability to seek necessary medical treatment. He's expressed frustration with Santander's fraud detection measures, particularly the timing of its warning text, the cashier's lack of intervention at the branch, and its response when he reported the fraud.

Mr B made a complaint to Santander on the basis that it didn't intervene before he withdrew the cash, or before he used his debit card to purchase the currency which ultimately fell into the hands of the scammer. Santander didn't uphold the complaint, and in its response it said it wasn't able to offer Mr B a refund because it had followed its own processes. It also said the scam wasn't covered by the Contingent Reimbursement Model ("CRM") Code as the transactions weren't bank transfers, so they didn't fall under the protection of the Code.

Mr B remained unhappy so he referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that he thought the way Santander had intervened during the cash withdrawal was proportionate to the risk posed to Mr B, although it was unfortunately unsuccessful due to the involvement of the scammer. He also explained that he didn't think Santander ought to have declined or delayed the debit card payment to the foreign exchange kiosk, as the payment wasn't particularly unusual for a merchant of that type.

As Mr B didn't accept the investigator's opinion, the case has been passed to me to make a 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.

I'm sorry to disappoint Mr B but having considered everything I'm afraid I'm not upholding his complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr B authorised these payments from leaving his account. It's accepted by all parties that Mr B made the cash withdrawal and purchased the currency, and

Santander completed the transactions in line with Mr B's requests, and in line with the terms and conditions of Mr B's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

I'd like to start by noting that the background summary I've included above captures the key points of Mr B's complaint against Santander, although his full account contains significantly more detail about his overall experience with this matter. I've read and understood everything Mr B has described, even if I haven't reiterated every point, but this is to keep my decision focussed on the actions of the business complained about – which in this case is Santander.

Should Santander have intervened?

I consider Santander ought to have intervened when Mr B made the first scam related transaction – the £5,000 cash withdrawal. I say this because there were several factors that could've seemed suspicious. Firstly, the value of the withdrawal was highly unusual for Mr B. Although he tends to hold a healthy balance in his account, the transactions he typically makes are day-to-day living expenses and don't tend to exceed £100. The transaction being made as a cash withdrawal is also unusual, both in terms of the way Mr B generally uses his account, as well as in the wider scheme of the banking industry as a whole.

These factors ought to have prompted Santander to ask Mr B further questions about the transaction, with the aim of understanding what was going on and providing him with effective education and appropriately tailored scam-related warnings.

How did Santander intervene?

In considering any form of intervention before the transactions took place, I recognise both parties may have different recollections or information about what happened. I've considered evidence provided by Santander, as well as Mr B's complaint letter which includes a detailed testimony. I'd like to reassure Mr B that whilst he may not have been able to provide physical evidence to back up his recollection of events, that doesn't minimise the weight I've placed on his testimony in relation to what happened throughout the scam.

Mr B initially said Santander didn't intervene or ask any questions before he made the withdrawal. But he's also since explained that he was following a script given by the scammer – so I'm persuaded Santander did make some enquiries as a minimum. But there's no indication that Santander would, or should, have been aware that Mr B had been coached on how to answer Santander's questions.

Santander says that before a £5,000 cash withdrawal would be authorised in one of its branches a scam conversation would need to take place. It says that its system indicates this conversation took place, but as Mr B wasn't honest about the reasons for the withdrawal, it wasn't able to identify and prevent the scam. It has also provided a copy of its branch process for what should be discussed during a scam conversation.

I've reviewed the branch process and I can see it directs the cashier to establish whether the customer has been told their account is at risk, or to move their money to a "safe" account. It also tells the cashier to establish the reason for the withdrawal, and to ask the suggested question given, based on the reason provided by the customer.

In this case, “home improvements” isn’t a category specifically listed on Santander’s process guide, so I think it was reasonable for the cashier to follow the payment purpose of “Anything else...” The guidance suggests that for this purpose the cashier should make the customer aware “If anyone has told you what to say, it will be a scam. Criminals will tell people what to say in branch, no genuine organisations do this”.

Finally, the guidance prompts the cashier to check that the customer isn’t being put under pressure, or being told what to say. It also directs them to check the customer isn’t suspicious about who they’re paying.

In considering whether Santander followed its own guidance, I’ve carefully reviewed a note from Mr B’s account on the date of the withdrawal which says *“Scam Chat Yes – Transactions amount £5000 and type cash withdrawal, [branch name], Customer response to key questions customer has not been contacted to remove money from account or been asked to, he is under no pressure to proceed and wants the money for some home improvements”*. I’ve also seen a screen shot of Santander’s system which has a ticked box confirming a scam chat has taken place – and this is authorised with the initials of a member of staff, who is presumably a second authoriser.

Considering this evidence, the fact that the cashier was required to select a reason for the withdrawal, and add a manual file note, supports the likelihood that Santander applied some level of scrutiny to the transaction. Large cash withdrawals are typically subject to additional checks, and the cashier’s note stipulating the withdrawal was for “home improvements” suggests that Mr B provided this as the reason. And as the note includes information that Mr B wasn’t being pressured, nor that he’d been contacted to withdraw the money, that this was information Mr B provided.

Given that Mr B’s phone was on an open call to the scammer during the transaction, it’s entirely plausible that the scammer coached him on how to answer Santander’s questions, and he did in fact give the answers I’ve set out above, albeit under duress from the scammer. But from Santander’s perspective, Mr B’s responses didn’t raise any immediate red flags that would’ve suggested he was at risk of fraud, and all things considered, Santander was entitled to accept the answers Mr B gave.

Additionally, Santander sent a scam warning text message after the withdrawal, which further indicates that the bank had fraud prevention measures in place.

I’ve seen from Santander’s records that the message was sent 11 seconds after the withdrawal was entered into Santander’s system. The text message said *“IMPORTANT INFORMATION about your cash withdrawal. Never hand over your cash to a third party because you’ve been told that your account is at risk, or that it will help the police or bank.”*

Whilst Mr B may not have seen or acted upon this message in time, the fact that it was sent further persuades me that it’s more likely than not that Santander identified the potential fraud risk at the time of the withdrawal and took steps to alert Mr B of the potential risks.

Having considered all the available evidence, I find it more likely than not that Santander carried out the due diligence checks it says it did before allowing Mr B to withdraw £5,000 in cash. Whilst I acknowledge that Mr B was the victim of a sophisticated scam and may’ve been under pressure to provide Santander with answers that weren’t true, the evidence I’ve seen suggests that Santander did take steps towards attempting to prevent the fraud. And it was entitled to rely on the information it was given by Mr B, even though it’s now clear that not all of that information was true.

Turning to the debit card transaction that was made following the cash withdrawal, Santander didn't intervene before this took place. It says the payment was authorised using Mr B's chip and PIN debit card and as such, it didn't require any additional information or safeguards.

Did Santander do enough to protect Mr B from the scam?

Whilst I sympathise with Mr B's situation, from everything I've seen and been told I'm persuaded that Santander followed reasonable due diligence procedures and gave Mr B an appropriately robust scam-related warning before he withdrew the cash that he passed on to the scammer. Santander asked relevant questions, recorded Mr B's responses, and issued a scam warning text. And overall, I think the way it intervened, both in person and by sending the text message, was proportionate.

Considering the text message Santander sent to Mr B, I understand Mr B says he didn't see the message as he was on the phone to the scammer.

Whilst I accept Mr B's explanation that he didn't see the text message until it was too late, I can't hold Santander responsible for that. As the message was sent just a few seconds after the withdrawal was entered into Santander's system, I think this would've left enough time for Mr B to see it, taking into account the time it would've take for the money to be counted out to Mr B, placed in an envelope, and for him to leave the branch and approach the scammer to hand it over. So whilst it's unfortunate that's not how things worked out as Mr B was already using his phone, I'm satisfied this was a proportionate additional intervention in an effort to reduce the risk of financial harm by Santander before Mr B's loss was realised.

Santander didn't intervene before Mr B made the debit card transaction to the foreign currency exchange kiosk, and having thought about the circumstances surrounding this, I think that was a reasonable course of action for Santander to take.

In considering this point I've firstly kept in mind that Santander's knowledge of the circumstances surrounding the transaction was much lower than that of Mr B at the time it took place. So it was entitled to use the information it was presented – such as the transaction type, value, and location, in order to deem whether it presented sufficient risk for it to intervene.

Whilst the transaction value was higher than other transactions on Mr B's account in the months preceding the scam, the fact that the merchant was local to his home address, and the transaction was made in person using his chip and PIN debit card, it's reasonable to say that Santander could've taken some reassurance that the transaction was lower risk than – for example – a transaction being done in a different country, or a long distance from where Mr B usually uses his debit card. Additionally, the merchant the payment was being made to was a currency exchange service. And it's not uncommon for customers to make larger-than-average transactions to this type of service, given they are usually one-off payments to exchange money into currency for holidays or business trips. Considering these points, the transaction Mr B made for just under £4,000 wasn't so high that it fell outside of what I'd expect a merchant of this type to process regularly, as a matter of its day-to-day business.

Based on these factors and without knowing otherwise, it was reasonable for Santander to authorise payment two in the scam without intervening first. As I've explained, although it's now evident this was linked to the wider scam Mr B was falling victim to, I wouldn't have expected Santander to detect that at the time, given the characteristics of the payment, as I've described above.

Recovery of the funds

I'm not aware of any recovery attempts made by Santander, but as the funds were passed on to the scammer in cash, recovery would fall outside of Santander's control. So there's nothing I'd have expected Santander to do in an attempt to recover what Mr B lost.

I recognise Mr B has had a very difficult time dealing with multiple parties, including the police, in relation to this scam. I fully understand falling victim to a scam is worrying and frustrating, and I do want to emphasise that I am in no way blaming Mr B for what happened here. But in order for me to find Santander responsible for Mr B's loss I'd need to be satisfied that the scam took place as a result of something Santander did, or something that it ought to have done and didn't do. But for the reasons I've explained, I haven't concluded that's the case here. So I don't require Santander to refund Mr B's losses.

My final decision

I don't uphold Mr B's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 April 2025.

Sam Wade
Ombudsman