

## The complaint

Miss C complains about Santander UK Plc.

She says that Santander didn't do enough to protect her when she fell victim to a scam and would like Santander to refund her the money she has lost as a result.

## What happened

Miss C came across an investment through social media which I will refer to as 'A', an unregulated firm, and was invited to an online meeting where she was persuaded to make the following payments.

Payment	Date	Payee	Payment type	Amount
1	17/09/2021	A		£372
2	09/11/2021	A		£1,496.80
3	18/11/2021	A		£3,755.50
4	19/11/2021	A		£751
5	03/02/2022	DE*		£391*
6	25/01/2023	DA		£269
			<b>Total</b>	<b>£7,035.30</b>

\*It is unclear how payment 5 links to the scam as this Service has been unable to establish a link between DE and A, but as Miss C has said it forms part of the scam, I have included it in her loss.

Miss C believed she was making payments in relation to a cryptocurrency investment. A was linked to another company, I will refer to as 'H'.

Unfortunately, Miss C had fallen victim to a scam, and lost her money. She made a complaint to Santander, but it didn't uphold it.

Santander said that Miss C wasn't the victim of a scam, but her loss was a civil dispute.

Miss C then brought her complaint to this Service, with the help of a representative.

Our Investigator looked into things but didn't think that the complaint should be upheld. They said that while they were satisfied that Miss C had fallen victim to a scam, they were not persuaded that Santander needed to refund her.

Miss C and her representatives asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

## 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 have decided not to uphold this complaint, for broadly the same reasons

as our Investigator. I know this will be disappointing for Miss C, so I'll explain why.

I should start by saying that I believe that it is clear that Miss C has fallen victim to a scam, and I am very sorry that this has happened to her. Our Investigator has already set out in some detail the reasons why A was a scam, and that the funds were not used as Miss C had intended, so I won't repeat them here.

Santander is a signatory to the Lending Standards Boards Contingent Reimbursement Model ("CRM") Code, which is a voluntary code that provides additional protection for victims of authorised push payment ("APP") scams like the one Miss C fell victim to, so I have taken into account the CRM Code in reaching my decision.

The starting point in law is that Miss C is responsible for any payments she's authorised herself. However, the CRM Code requires a firm to reimburse victims of authorised push payment (APP) scams that fall under its provisions, unless one of the exceptions to reimbursement apply.

*Did Santander do enough?*

Looking at the payments in question, I am not persuaded that Santander should have recognised at the time that Miss C may have been at risk of falling victim to an APP scam, and as such didn't need to provide Miss C with an effective warning about the payments she was making.

The initial two payments were relatively small – and spaced out over a period of two months. They payments were also made to a UK bank account, and not to a crypto exchange – so there was no other information available about these payments that may have indicated Miss C may have been at risk of financial harm.

The third payment was larger – but again was made a week after the second payment, so I don't consider they were made close together – and by this point Miss C had made two payments to what was now an established payee. I can see that she also made payments to and from her account to another bank account on the same day for a similar amount. Again, there was no contradictory information available about the payment such as the payment being made to a crypto exchange.

Payment four was again smaller, so I wouldn't expect Santander to get in touch, for similar reasons as before. And payments five and six were both small and made significantly later (and as I have explained under the payment table, we are not sure that five can be established as being linked to the scam in any event).

I know that Miss C's representatives say that as there were warnings about the scam available from several sources at the time Miss C made her payments, and Santander should have been aware of these and flagged the payments. However, these warnings were about H, not A – so while A was linked to H, I wouldn't have expected Santander to have been aware of this at the time and automatically blocked these payments. The first warning about A wasn't published until July 2022, and Miss C only made one payment after this date which was going to an individual, not directly to A.

So, I don't think that Santander needed to intervene in any of the payments Miss C made.

*Did Miss C have a reasonable basis for belief in the investment?*

As I don't think that Santander needed to intervene, I need to consider if Miss C had a reasonable basis for believing that she was making her payments as part of a genuine

investment opportunity, and I'm afraid that I don't think that this was the case.

While I appreciate that Miss C felt that she was making payments to a legitimate investment, I don't think that she was as careful as she should have been before parting with her money, and there were several red flags that I think Miss C should have been aware of. Firstly, the rate of return that was promised to her seemed too good to be true, and I don't think that she should have taken this on face value – and should have given her reason to doubt the legitimacy of what she was doing.

While I accept that Miss C may not have been an experienced investor, I would expect her to have done some research about the investment she was signing up to – but I don't think that she did so. I can't see that any paperwork was exchanged in relation to the supposed investment – which I would have expected there to have been, or information provided about how the investment worked (apart from the promised returns).

There was also a warning about H published on the Financial Conduct Authorities website prior to Miss C's initial investment, and while Miss C was investing with A, her understanding was that A would be facilitating the transfer of funds to H. But it appears that Miss C did not conduct any checks about H at the time.

I am very sorry that Miss C has lost money to a scam, and is out of pocket as a result. However, the loss has been caused by the scammers, not Santander, and I can't ask it to refund her under the CRM code when I don't think that it needed to intervene, and that Miss C didn't have a reasonable basis for belief in the investment.

### **My final decision**

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 9 April 2025.

Claire Pugh  
**Ombudsman**