

The complaint

Ms C complains that Santander UK Plc has declined to reimburse payments she says she made in relation to a scam.

What happened

While Ms C has a representative in bringing this complaint – for simplicity I'll refer to Ms C in relation to comments made by her and on her behalf.

Ms C made two payments using her debit card in July 2023 – the first was a £50 deposit and the second for £4,950 the following day. These were to purchase a piece of artwork. While Ms C received the artwork, she later found information about the piece which led her to identify she had overpaid – she says information about the piece was misrepresented by the gallery and that it was a scam.

When Ms C complained to Santander in May 2024, she said the artwork had been fraudulently mis-sold to make it appear more valuable than it was and that it should reimburse her. She said Santander should raise a chargeback, and that it ought to have intervened in the payment at the time as it was out of character for her account.

Santander didn't uphold the complaint; it said it couldn't raise a chargeback on the basis that the goods were not as described because it had been more than 120 days since Ms C received the artwork. Santander didn't consider the matter to be a scam as Ms C had intended on completing the payment to make the purchase and it didn't think the transactions ought to have raised concern for it at the time.

When Ms C brought her complaint to our service, the investigator didn't uphold it. In summary they thought Santander had acted fairly in not raising a chargeback in the circumstances. Nor did they think Santander had missed an opportunity to prevent Ms C's loss.

Ms C didn't agree and provided further information about why she thought she had been scammed. She also questioned whether the timeframe for a chargeback to be raised in the circumstances should be 540 days rather than 120 days. Ms C thought the payment was out of character for her account on the basis that it involved a large card payment to a new payee, and that Santander ought to have intervened and uncovered the scam.

The investigator explained their opinion remained the same. As Ms C didn't accept this outcome, the matter has been passed to me for a decision by an ombudsman.

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'm not upholding this complaint for similar reasons to the investigator.

It isn't in dispute that Ms C authorised the disputed payments or that she received the goods

she purchased (a piece of art). Rather, she's saying that the artwork was not as described, and as Ms C believes the seller was acting dishonestly, she thinks it should be treated as a scam.

Should Santander have identified Ms C was at a risk of financial harm from fraud?

While I appreciate what Ms C has provided in terms of what the seller misrepresented to her about the artwork, it remains unclear whether Ms C has been the victim of a scam or if this is a dispute between her and the seller. However, I will explain why I don't think Santander needed to do more in the circumstances if this was a scam.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Santander ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Ms C's account statements and the payments she's disputing. Having considered when they were made, their value and who they were made to, I'm not persuaded Santander ought to have found any of the payments suspicious, such that it ought to have made enquiries of Ms C before processing them. I understand Ms C thinks the payments were out of character for her account. But given there were other recent payments from Ms C's account of similar type and value, I don't think the fact the payments were to a new payee or the pattern here would have warranted an intervention in the circumstances.

For these reasons, I don't think Santander missed an opportunity to prevent Ms C's losses.

Should Santander have done more to recover Ms C's funds?

As the disputed payments were made using Ms C's debit card, the applicable route to recover her payment would have been the chargeback process. The rules are set by the relevant card scheme (here Mastercard) to settle disputes with the merchant.

As Ms C is saying the artwork was misrepresented, I think the most relevant reason code under the chargeback scheme would be "Goods or Services Were Either Not as Described or Defective". In the circumstances, such a claim would need to be raised between 15 and 120 calendar days from the delivery date of the goods (here the artwork). However, Ms C made Santander aware of her concerns several months after this timeframe expired. So, I don't think it was unreasonable for Santander not to have raised a chargeback. This is a voluntary scheme, and Santander wouldn't be expected to raise a claim that it thought had no prospect of success.

While Ms C has said a different timeframe of 540 days should apply, she hasn't specified what rule she believes applies to provide this timeframe. Under the chargeback reason code referenced above, the timeframe of 540 calendar days relates to when an ongoing service has been interrupted, so this wouldn't apply to Ms C's purchase. There is no extension period under this code to cover situations where there is a delay to the cardholder identifying there is an issue after receiving the goods.

Ms C has suggested the artwork she received was counterfeit – if this was the case, the timeframes would still be 120 calendar days from when the goods were received.

So, for the reasons explained, I don't think Santander needed to do more to attempt to recover Ms C's funds once aware of the issue.

This means that I think Santander has acted fairly in declining to reimburse Ms C in the

circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 22 July 2025.

Stephanie Mitchell
Ombudsman