

The complaint

Mr J complains that Santander UK Plc hasn't reimbursed the money he's lost to a scam.

What happened

Mr J says he saw an advertisement for a vehicle he was interested in purchasing on a popular online marketplace. After exchanging some messages with the seller, he paid the full price for the vehicle via faster payment from his Santander account.

When the vehicle wasn't delivered as agreed, Mr J realised he'd fallen victim to a scam and raised a fraud claim with Santander.

Santander was unable to recover Mr J's funds from the receiving account and it declined to reimburse him under the Lending Standards Board's Contingent Reimbursement Model ('CRM Code') because it said there was more he could've done to protect himself from the scam.

Mr J referred a case about Santander to this Service. Our investigator considered the case but didn't uphold it. Mr J has asked for an ombudsman's final decision, so the case has been passed to me to decide.

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.

Santander was a signatory of the CRM Code, and it was in force when the disputed payment was made. The CRM Code requires firms to reimburse customers who have been the victims of Authorised Push Payment ('APP') scams in all but a limited number of circumstances. Santander has argued that one of the exceptions applies in this case. It says that Mr J made the disputed payment without a reasonable basis for belief that the payee was the person he was expecting to pay, the payment was for genuine goods or services and/or the business or person he was transacting with was legitimate.

In thinking about whether Mr J had a reasonable basis for belief, I've considered what steps he took to reassure himself about the legitimacy of the transaction, and whether it was reasonable for him to proceed with the disputed payment.

The vehicle was advertised as being in 'excellent condition', with relatively low mileage and, considering everything (including the price comparison I have carried out), I think the price was very low and too good to be true – especially as it included the vehicle's shipping costs. The seller was also requesting the full purchase price upfront. Overall, I would've expected Mr J, or anyone else, to be put on guard.

Mr J couldn't view the vehicle before paying for it due to proximity. He did carry out some checks before handing money over (he did some vehicle checks and researched the shipping company the seller was using) but, in the circumstances, I think he ought

reasonably to have done more to protect himself from financial harm here. He could have, for example:

- asked to see more photographs or videos of the vehicle.
- asked to see paperwork which proved the seller's ownership of the vehicle and/or that the seller purchased the vehicle at auction.
- enquired whether he could pay for the vehicle via a more secure method than faster payment.
- tried to pay a small deposit rather than paying the full purchase price upfront.
- checked whether the company he paid and that was supposedly holding his money until the vehicle had been delivered and confirmed as satisfactory had an official website and/or a presence on the internet or Companies House (it hasn't) and questioned the legitimacy of a business that doesn't have these characteristics.

I appreciate that Mr J feels he did enough to satisfy himself that this was a genuine purchase but overall, I don't think the steps he took to protect himself were sufficient in light of the 'red flags' present and I'm not satisfied that he had a reasonable basis for belief in this case. So, I'm not persuaded that Santander should have reimbursed his loss because of any obligation under the CRM Code.

Santander had some concerns about the disputed payment and had a telephone conversation with Mr J before letting it go. Considering the information Mr J imparted during that conversation, I'm not persuaded that Santander ought reasonably to have identified an APP scam risk – he told the bank he'd seen the vehicle in-person, he was buying from a trade seller and had been provided with paperwork for the sale, and he'd carried out relevant vehicle checks. So, I don't think Santander ought to have taken any further action to protect Mr J from the possibility of financial harm from fraud.

Finally, I've seen that Santander took steps to recover Mr J's funds when he raised a fraud claim with it, but no funds remained in the beneficiary account to recover.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 June 2025.

Kyley Hanson
Ombudsman