DRN-5137529

The complaint

Mrs B complains Santander UK Plc won't refund the full amount of money she says she lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

From September 2021, Mrs B made two payments to an investment company that she now says was a scam.

Payment 1	29 September 2021	£20,000
Payment 2	30 March 2022	£70,000

When Mrs B realised she had lost her money, she logged a complaint with Santander.

Santander looked into the complaint but didn't uphold it. It said it was more a civil dispute than a scam, evidenced by both companies currently going through administration. So, Mrs B brought her complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator also thought it was a civil dispute rather than a scam.

As Mrs B disagreed with the investigator's view, the complaint has been passed to me for a final 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.

Having done so, I have decided to not uphold this complaint. I know this will be disappointing for Mrs B, so I'll explain why.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry if Mrs B lost money but this doesn't automatically entitle her to a refund from Santander. It would only be fair for me to tell Santander to reimburse Mrs B if I thought it

reasonably ought to have prevented the payments or it unreasonably hindered recovery of the funds. I'm also sorry to hear Mrs B has been unwell, I hope she starts to recover soon.

Prevention

Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. These are predicated on there having been a fraud or scam. So, a first consideration in determining Santander's obligations here would normally be: was Mrs B scammed as she alleges?

Santander has signed up to the voluntary Contingent Reimbursement Model (CRM) Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met.

I have set out the definition of an APP scam as set out in the CRM Code below:

...a transfer of funds executed across Faster Payments…where:

(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or

(ii) The Customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent.

I've therefore gone on to consider whether the payments Mrs B made to the investment fall under the scope of an APP scam as set out above. Having done so, I don't think it does. I'll explain why in more detail.

To determine if Mrs B has been the victim of a scam, I have to consider if her intended purpose for the payments was legitimate, whether the intended purposes Mrs B and the investment firm were broadly aligned and, if not, whether this was the result of dishonest deception on the part of the firm.

Based on the evidence available to me, it appears the company Mrs B invested in is listed on Companies House and is still active. It also appears from a search on the internet that the company is still trading, has a registered address and is taking on new business. Which is not what we normally see from this type of investment scam. Mrs B received several pieces of professional looking information and appears to have had regular contact from the company, including from the director who is still registered, around the time when she made her payments.

So, I've gone on to consider whether the investment firm' intended purpose for the payments aligned with what Mrs B intended. On balance, I think what I've said above shows the investment company Mrs B made the payments to be a legitimate company involved in legitimate projects.

Whether or not unregulated investors were used to introduce the investment does not indicate that the firm set out to defraud investors of their funds, with no intention to invest the funds into projects.

On balance, I'm satisfied the investment firm intended purpose for the funds aligned with Mrs B's and nothing I have seen indicates to me that they intended to defraud her. Instead, I think it's more likely this was a failed investment, So I don't think it meets the definition of an

APP scam. And I think Santander acted reasonably when it treated the case as a civil dispute.

Having said that, even if I did consider this was a scam, which for the avoidance of doubt and for reasons explained above I don't, if Santander had stopped the payments and spoken to Mrs B, ultimately, I do not think any intervention would have made a difference or prevented the payments. I say this because when Mrs B made the payments, she was led to believe he was investing in a legitimate company and product. As I've said above, I'm not aware of any information Santander could or should have known at the time from which it ought to have been concerned Mrs B was being scammed.

Santander could have given Mrs B general fraud and scam advice in relation to investing in particular. But ultimately, I do not think I can fairly say it would have been able to give Mrs B any information that would have led her to doubt what she already knew about what she was doing, including if she'd undertaken further reasonable research at the time. So, even if Mrs B had been questioned in more detail about the investment, I do not think it would have highlighted anything that would have caused concern or led Santander to believe Mrs B was at risk of financial harm from a fraud or scam.

So, even if Santander did intervene and tell Mrs B to conduct further checks on her investment, I'm not persuaded she would have found any negative information.

It's worth noting that Mrs B has sent our service several pieces of evidence to support both her claims she was scammed. Within this information, I've seen no evidence Mrs B has directly contacted this firm to make enquiries as to the whereabouts of her money. So, at this stage I'm also not convinced Mrs B has suffered a loss.

Mrs B feels that Santander should refund the money she lost. I understand that this will have been frustrating for her. But I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Santander needs to pay Mrs B any compensation. I realise this means Mrs B is out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

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 Mrs B to accept or reject my decision before 21 July 2025.

Tom Wagstaff
Ombudsman