

The complaint

Mr and Mrs L complain that Santander UK Plc (“Santander”) won’t refund the money they lost after falling victim to a scam.

This account is held in joint names. However, as it was Mr L who made the payments that are the subject of this decision, in the main, I will refer to him throughout.

What happened

The background to this complaint is known to both parties, so I won’t repeat all the details again here. However, in summary, Mr and Mrs L have been the victims of a scam.

Mr L thought he was making a payment for a holiday, over the telephone, with who he believed was a well-known travel agent. However, unfortunately for Mr L, and unbeknown to him at the time, he was actually speaking with a scammer who was pretending to be the genuine travel agent.

Mr L made a card payment of £1,320.20 over the telephone to pay for his holiday. However, he later received an email to say his booking had been cancelled and that a refund would be processed on his behalf. When no refund was forthcoming, Mr L called the genuine travel agent who confirmed Mr L had no booking with them. At this point, Mr L realised he’d likely been the victim of a scam and he contacted his bank, Santander, to let them know what had happened.

Santander raised a chargeback claim but this was declined. Santander said that the merchant the funds had been paid to had been able to evidence that flight tickets had been bought using Mr L’s card details. So, the service paid for had been provided and the chargeback claim was unsuccessful.

Unhappy with Santander’s response, Mr L brought his complaint to this service and one of our investigators looked into things.

Our investigator didn’t recommend that the complaint be upheld. They concluded that, although Mr L had been scammed, they didn’t think that Santander had done something wrong in not identifying the payment was connected to a scam at the time it was authorised. They also thought it was reasonable for Santander to not pursue the chargeback claim further as it was unlikely to have been successful in Mr L’s circumstances - the merchant had provided a service as intended – albeit not to Mr L.

Mr L disagreed with the outcome reached by our investigator and as an agreement could not be reached, the case 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've reached the same conclusions as the investigator. I'll explain why in more detail below.

Authorisation

It's not in dispute that Mr L was scammed and I'm sorry about the impact this whole experience has had on him. It's also not in dispute that he authorised the payment from his Santander account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr L is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp V Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are some situations where I consider that a business, taking into account relevant rules, codes and best practice, should fairly and reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious. But it's important for me to emphasise here that there's a balance to be struck. A business can't reasonably be expected to intervene on every transaction that may be the result of a scam. In this case, considering the information surrounding the payment, I don't think there was enough about the transaction that should have indicated Mr L was at a heightened risk of financial harm.

This was a single payment of relatively low value, to a legitimate merchant, and there was nothing else about it or the account activity that ought to have reasonably appeared suspicious to the extent that it should have triggered Santander's fraud prevention systems. So, while I'm mindful Mr L was the victim of a cruel scam, I don't think it would be fair to hold Santander liable for his loss in circumstances where it couldn't fairly have been expected to have done more to prevent it.

Chargeback

As the Investigator explained, the chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The scheme operator (in this case, Mastercard) ultimately helps settle disputes that can't be resolved between the merchant and the cardholder. Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed.

In this case, we know that the card payment wasn't made directly to the scammer. This is important because Santander would only have been able to process a chargeback claim against the merchant that was paid – in this case, a genuine travel agent. And because this merchant has been able to evidence that flights were purchased and provided, it's unlikely a chargeback claim would have ultimately been successful. Whilst Mr L's funds being used to purchase flights in someone else's name would clearly be unacceptable to him, it does unfortunately mean that a successful chargeback would not have been possible. I don't therefore consider it was unreasonable of Santander not to continue to pursue such a claim in these circumstances.

Furthermore, I'm aware that some confusion has been caused by an email that Mr L received stating that his booking had been cancelled and he was due a full refund. Mr L has

questioned how the investigator could reach the conclusion that a service had been provided if he himself had received an email saying the booking had been cancelled. I have reviewed a copy of this email and I am satisfied it came from the scammer, not the genuine merchant. So, whilst the scammer had told Mr L the booking had been cancelled, this wasn't the case, and the booking had been completed using someone else's details with the genuine merchant.

I realise this case is important to Mr L. I'm again sorry he was the victim of a cruel scam and I can understand why he wants to do all he can to recover his money. But I can't reasonably conclude Santander acted unfairly in processing the payment or in not continuing to pursue a chargeback claim when it had very little prospect of ultimately succeeding.

My final decision

For the reasons above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 27 October 2025.

Emly Hanley Hayes
Ombudsman