

## **The complaint**

Mrs J complains Santander UK Plc ('Santander') won't refund money she says was lost when she fell victim to a cryptocurrency investment scam.

## **What happened**

Mrs J is being represented by solicitors in this complaint. A formal complaint was raised with Santander explaining that Mrs J had fallen victim to a cryptocurrency investment scam facilitated by a company known as H. It explained that Santander facilitated 8 payments totalling £5,798.68 to cryptocurrency exchanges which in turn were transferred into H. It further explained H was now widely accepted to be a scam and a warning had been published by the Financial Conduct Authority ('FCA') which pre-dated Mrs J's losses.

In Santander's response to Mrs J's complaint, it said her claim didn't meet the criteria to be reviewed under the Contingent Reimbursement Model (CRM) code. That's because the disputed transactions were either:

- payments made to accounts Mrs J held elsewhere or
- payments were made by debit card

Mrs J's complaint was subsequently brought to this service.

Our investigator didn't uphold Mrs J's complaint. She said that Mrs J submissions didn't include any evidence that established a link between her payments to cryptocurrency exchanges and H. And with the limited evidence available, she was unable to establish if Mrs J fell victim to a scam and suffered a financial loss. Only that Mrs J sent some money to cryptocurrency exchanges. Therefore she couldn't ask Santander to do anything further.

Our investigator also highlighted the list of disputed transactions submitted didn't match Mrs J's account statements and there were other transactions to cryptocurrency exchanges that had not been complained about. Our investigator identified 12 payments made between 17 March 2022 and 3 August 2022 amounting to around £7,616.11. She went on to explain that even if Mrs J had submitted evidence she had fallen victim to a scam by H, she didn't think Santander should reasonably have been expected to prevent this. That's because she didn't think the payments were particularly unusual or suspicious in appearance to Santander considering Mrs J's normal account and payments activity. And as Mrs J didn't speak to or interact with Santander at the time of the disputed transactions, she wasn't satisfied it had missed an opportunity to identify they were being made in relation to a scam. Our investigator also explained the CRM code didn't apply here for the same reasons set out by Santander and that recovery was unlikely.

Mrs J confirmed she didn't accept our investigator's findings and would like her case considered by an ombudsman. She also said her other payments referenced by the investigator were to well-known investments with no risk and didn't consider she should be penalised for investing into something genuine.

## 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.

Ahead of my decision I contacted Mrs J after identifying another payment to a cryptocurrency exchange of £753 made on 22 June 2022 which would bring Mrs J total disputed transactions to £8,369.11. She was able to verify it was. Below is a finalised list of the disputed transactions that I've considered as part of my decision:

Transaction date	Payee/ Merchant	Type	Amount
17/03/2022	BCB Payments Ltd	Faster payment	£2.00
17/03/2022	BCB Payments Ltd	Faster payment	£3,798.00
31/03/2022	Crypto.com	Debit card payment	£1,287.73
15/04/2022	CRO	Debit card payment	£499.44
28/04/2022	CRO	Debit card payment	£279.39
30/04/2022	Crypto.com	Debit card payment	£150.85
02/05/2022	Crypto.com	Debit card payment	£1,387.19
16/06/2022	CRO	Debit card payment	£56.59
22/06/2022	BCB Payments Ltd	Faster payment	£753.00
03/08/2022	CRO	Debit card payment	£15.45
03/08/2022	CRO	Debit card payment	£8.67
03/08/2022	Crypto.com	Debit card payment	£99.90
03/08/2022	CRO	Debit card payment	£30.90
		<b>Total loss</b>	<b>£8,369.11</b>

I appreciate not all of these transactions have previously been brought to Santander's attention. And whilst I acknowledge they have not had an opportunity to consider them in the first instance, they don't impact on my consideration of this case and so I have proceeded with my decision.

In order for me to establish whether there were any failures by Santander to protect Mrs J against the risk of fraud and scams, I must firstly be satisfied so far as reasonably possible that Mrs J has been scammed. This is important because Santander is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Our investigator explained that when Mrs J complained to Santander and subsequently brought her complaint to this service, her submissions didn't include any evidence that established a link between her payments to cryptocurrency exchanges and H.

As part of my writing to Mrs J ahead of my decision, I explained that to date no evidence has been presented that supports her allegations she was scammed by H. And if no supporting evidence was provided in response to my email, I couldn't fairly and reasonably conclude she had fallen victim to a scam. Whilst Mrs J confirmed the list of disputed transactions above, she did also include two screenshots relating to the faster payments being credited to her crypto exchange account. But all that evidence shows me is that Mrs J's crypto exchange account received those three faster payments, and she subsequently proceeded to purchase crypto assets with those funds. Whilst this evidence also shows her account holds no fiat currency, this in and of itself is not evidence Mrs J has fallen victim to a scam by H. Crucially there's a complete absence of any evidence showing any interactions Mrs J had in relation to H.

I've carefully considered the available information, evidence and the arguments made. But all I can be satisfied with is that Mrs J made payments to crypto currency exchanges over a period of around five months. Where there's insufficient evidence Mrs J lost money to a scam, I can't fairly hold Santander liable for the losses she is seeking to recover.

That said, even if I was satisfied Mrs J had provided sufficient evidence she had lost money to a scam, I can't agree that Santander ought to have prevented this.

There is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. I've considered whether any of Mrs J's payment instructions were particularly unusual or uncharacteristic, taking account of her usual account usage. Having done so, I'm in agreement with our investigator. Mrs J's historic account activity shows transactions of £3,800 and £2,000. So I can't agree that the value of the disputed transactions alone ought to have raised any particular concern to Santander. I do acknowledge the faster payment of £3,800 is to a known payee and the debit card payment is to NS&I. The faster payments to BCB Payments are to a new payee, and this is a factor (among others) that ought to form part of Santander's considerations around a consumer's account activity and whether or not this should alert them to concerns their consumer might be falling victim to fraud or a scam. But I'm not satisfied this factor alone meant that Santander here ought to have been concerned Mrs J might be falling victim to fraud or a scam. Furthermore, Santander has provided evidence Mrs J was asked to provide the purpose of her faster payment whereby she selected '*Transfer to your own account*' and a warning was presented to her. I'm satisfied this was a proportionate intervention and that Santander didn't need to do anything further.

I've also thought about whether Santander ought to have done anything to recover the funds after Mrs J reported her loss. Mrs J transferred/ made payments to accounts in her name under her control. From there, as far as the available evidence shows, Mrs J purchased crypto assets. As such there wouldn't have been any realistic prospect of recovery for any of the disputed transactions. Santander also wouldn't have been under any obligation to consider refunding the payments under the CRM code either given the faster payments were made to an account in her own name, and debit card payments aren't covered by the code.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 11 July 2025.

Mark O'Connor  
**Ombudsman**