

The complaint

Mr M complains that Santander UK Plc won't refund money he lost to a scam.

Mr M is being represented by W. For ease, I have referred to comments made by W as being made by Mr M.

What happened

Mr M complains that he made the following faster payments as a result of a cryptocurrency investment scam.

Payment	Date	Amount
1	06 October 2023	£500
payment received	09 October 2023	£23.51
2	10 October 2023	£5,000
3	14 October 2023	£4,700
4	14 October 2023	£250
5	26 October 2023	£4,800
7	06 November 2023	£1,300
8	13 November 2023	£4,500
9	24 November 2023	£4,150
10	04 December 2023	£3,900
11	03 January 2024	£3,850
12	12 January 2024	£2,500
13	31 January 2024	£4,100
14	31 January 2024	£100
15	06 February 2024	£6,500
payment received	06 February 2024	£152.10
16	15 February 2024	£200

17	29 February 2024	£5,000
18	11 March 2024	£5,000
19	19 March 2024	£5,000
20	26 March 2024	£5,000
21	02 April 2024	£3,000
payment received	06 April 2024	£137.76
payment received	06 April 2024	£12.07
	Total Loss	£69,024.56

Mr M said he came across the investment opportunity when he was approached by someone via an online messaging service. They spoke for several weeks before he was introduced to the scam company who I'll call, B. Mr M said he had seen B as a trusted sponsor for a football club, and this gave him the impression that the investment was legitimate.

After making several payments, he realised he had been scammed because he could not withdraw his funds from the investment. Mr M said he was told to deposit a further £45,000 in order to access his funds.

Mr M complained to Santander, but it said he authorised the payments and it didn't think it was liable for any financial losses he incurred.

Unhappy with its response, Mr M referred his complaint to our service, but our investigator didn't think the complaint should be upheld. He thought Santander had questioned Mr M robustly on one of the payments and provided relevant warnings. And he didn't think the payments were out of character for Mr M. Our investigator thought that there was a delay in Santander contacting the beneficiary bank but said that given the delay in the matter being raised with Santander, its attempts to recover the funds were unlikely to be successful.

Mr M doesn't accept our investigator's opinion, he doesn't think Santander's investigation was sufficient. He says the questions Santander's asked were weak and they did not engage in the appropriate amount of detail that would be expected of sufficient intervention. Mr M also says the warnings when asked for a one-time passcode were standardised and not sufficient intervention.

As an agreement couldn't be reached, the complaint 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.

I'm sorry to hear of the challenging circumstances Mr M has faced following what has happened. I appreciate these were difficult times for him, made worse as he fell victim to a scam. Whilst I sympathise with Mr M, I must put aside my feelings and consider his complaint impartially.

Firstly, I want to clarify that I've taken into account Mr M's detailed submissions about what happened. However, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. Rather, I've focused on setting out what is key to the decision I've reached.

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute here that Mr M authorised the payments. And in accordance with the Payment Services Regulations and the terms and conditions of the account, Mr M is responsible for the loss.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Santander should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud. So, I've thought about whether Santander acted fairly and reasonably here, and I think it did. I know this will be disappointing for Mr M, but I'll explain why.

I think it's important to highlight that there are many payments made by customers each day, and it's not reasonable to expect the bank to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, and not unnecessarily disrupting legitimate payment instructions.

With this in mind, and taking into account Mr M's usual account activity, I don't find Mr M's initial payment of £500 unusual, or of significant enough value to have caused Santander concern and triggered its security systems. However, I think it ought to have intervened when Mr M made payment 2. This is because it was a significantly higher value than the first payment and Santander should have recognised that as the payments were to a cryptocurrency provider, Mr M was at a greater risk of harm from fraud. Considering this, I find Santander should have intervened and enquired further about the payment. And I think a better automated warning, via its mobile banking app, tailored to the scam risk identified would have been appropriate in the circumstances. However, Santander stopped the payment and Mr M had to discuss the payment purpose with a member of staff.

The agent Mr M spoke to asked questions to establish how he found out about the investment opportunity and the circumstances surrounding the payment. Mr M was advised not to proceed without carrying out his own research. However, he informed the agent he had conducted his own research and the investment opportunity had not been presented to him by anyone, which was not the case. He said he was doing it "off his own back". The agent explained that it could be a scam if the returns are too good to be true and highlighted the risks of cryptocurrency investments. Overall, I'm satisfied the agent gave appropriate warnings based on the information Mr M provided about the payment.

I find the questions asked by the agent to have been sufficient and proportionate to the risk, taking into account the value of the payment and where it was going. I don't think the answers Mr M provided should have caused any concern or caused the agent to question him further. I find Mr M was determined to have the payment made, because much of what the agent described as characteristics of a scam was present in Mr M's circumstances and should have resonated with him. I can't see that Mr M was guided by the scammer to answer in the way that he did, and having reviewed the messages between him and the scammer, I think it is clear Mr M had built a friendship and trust with the individual over some time. Mr M said he downloaded an investment app which he thought was fully functioning and showed live investments. Furthermore, Mr M received a payment following the initial payment he made and said this reassured him the investment was genuine. So, I'm not persuaded that

even if Santander had probed further at this time, it would have uncovered the scam or had a positive impact on Mr M's decision to make the payment.

Mr M made further payments, but by this time he was starting to build up a pattern of spending, the values weren't increasing dramatically like we often see with a scam and Mr M wasn't draining the account. The payments were also spread out and over a long period of time, they were often made days apart and at times weeks passed between payments, so I don't find the length of time between them was concerning enough that Santander ought reasonably to suspect Mr M might have been falling victim to a scam and for it to have intervened further.

Even if Santander had intervened on the subsequent payments, it would have provided an automated warning and I'm not persuaded Mr M would have taken heed of these warnings for the reasons I have given above as the circumstances had not changed until the last day when Mr M suspected he had lost his money. It was clear that up to that point, Mr M was very much under the spell of the scammer based on the conversations we've seen.

I've also considered whether Santander did enough to try to recover the funds once it was informed about the scam. Where payments are made as a result of fraud, we usually find the funds are moved on quickly by the scammers from the recipient account. In Mr M's case the scam was reported several months after the first payment was made and some weeks after the final payment he made toward the scam. So, I find the chance of recovering any of his funds from the recipient account would have been relatively low. Nevertheless, Santander contacted the recipient bank on the day it became aware of the scam but unfortunately, it was confirmed that the funds were no longer in the beneficiary account.

I understand that Mr M has been a victim of a cruel scam and has lost out here and I sympathise with him, but I can't hold Santander responsible for his losses for the reasons I've outlined. Therefore, I do not think it needs to refund Mr M's losses.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 31 March 2025.

Oluwatobi Balogun
Ombudsman