

The complaint

Mr H complains that Santander UK Plc won't reimburse him money he lost after being a victim of fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

Mr H received a message from a third-party, that he later worked with, via a social media platform presenting an investment opportunity buying and selling cars.

Mr H agreed to invest and between 18 February and 26 March 2023 made numerous payments from his Santander account to the third-party, consisting of faster payments to a third-party account and card payments via an e-money provider. He also received several credits back from the third-party over the period.

Mr H said that while most of the payments were made for an investment, some were personal loans. He cannot however distinguish which payments were for which purpose.

Eventually, Mr H lost contact with the third-party, and believing he'd been the victim of a fraud, he reported the matter to Santander.

Santander considered Mr H's claim but concluded it was unlikely he'd fallen victim to a fraud. As it felt the matter was a civil dispute between Mr H and the third-party, it decided not to reimburse his loss.

Mr H, unhappy with this response, referred his complaint to our service for an independent review. An Investigator considered the evidence and testimony provided by both parties, but agreed that this was likely a civil dispute rather than a fraud. He therefore didn't find it reasonable that Santander reimburse Mr H's loss.

Mr H didn't agree, so the matter has now 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

All parties agree that Mr H made the payments in dispute. So, in accordance with the Payment Services Regulations 2017 he is presumed liable for the loss in the first instance.

However, Santander was a signatory to the Lending Standards Board's Contingent Reimbursement Model (the CRM Code). Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of exceptions.

However, the CRM Code is only relevant if I'm persuaded Mr H did fall victim to a fraud. The Code specifically doesn't cover certain types of disputes. It says:

"This Code does not apply to...private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".

Likewise, even for the payments not within the scope of the CRM Code, such as the card payments Mr H made to an e-money provider, Santander has no liability to reimburse Mr H his loss where the matter is deemed a civil dispute rather than a fraud.

From the information provided so far by Mr H, I'm not persuaded he has been a victim of fraud. I'll explain why.

Personal loans

Firstly, it is important to note here that Mr H has told Santander and our service that some of the payments he made were personal loans to the third-party. But Mr H can't specify which of these were the loan payments and which were for the purposes of the investment.

Personal loans to a third-party that are not repaid would not fall under the definition of fraud, regardless of how that loan was spent. This is an agreement voluntarily reached between two parties. And if the terms of that agreement are breached, that would be a civil matter between those parties.

In concluding, it would be unreasonable to expect a bank to reimburse its customer where a personal loan wasn't repaid to them.

Investment

Mr H has provided our service with very little evidence regarding the investment opportunity that was presented to him. There is no written agreement, nor any indication of what exactly the money Mr H was sending to the third-party would be spent on. This makes it difficult to understand what the third-party's intent was at the time they requested the payments.

What I have seen from the evidence presented is:

- The third-party was known personally to Mr H through work.
- The payments were made to accounts held in that individual's name.
- Mr H received credits into both his Santander and e-money provider accounts amounting to over £2,000. These were received from the accounts he'd made payment to.

Taking into account the above information, there is little evidence to support Mr H's assertion that he's been the victim of fraud. The money has been sent to a person known to him, he has received substantial credits from that person to his account, and there is little evidence to support a dishonest deception by the third-party.

While I understand Mr H didn't receive the profits he was promised, and even the money he had paid to the third-party, it doesn't automatically follow that he has been the victim of fraud. There are a number of legitimate reasons Mr H may not have received the returns

promised, such as the investment failing. And I don't find there to be any evidence in this case that would rule this possibility out.

Overall, I'm not persuaded from the evidence provided thus far on the complaint that Mr H has been the victim of fraud here. It therefore follows that Santander was reasonable in declining his claim for reimbursement. But should any information come to light in the future that would demonstrate a fraud has been committed, Mr H does have the option of presenting this new evidence to Santander for consideration.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 July 2025.

Stephen Westlake
Ombudsman