

The complaint

Mr F complains that Santander UK Plc won't refund the money he lost when he was the victim of blackmail.

What happened

In February 2024, Mr F met a woman on a social media platform and they started talking, firstly on the platform and then through an instant messaging service. But Mr F then received a message from someone who said they were the woman's father and that the woman was underage. They and someone who said they were the woman's mother then threatened that Mr F would be reported to the police if he didn't send them money.

Mr F says he felt he had no choice but to what the messages said, as he was worried the threats were genuine. So he made a number of payments from his Santander account to bank details he was given by the people who messaged him.

The messages kept asking for more money, so Mr F borrowed money from friends and family and took out a loan to keep paying what was asked. His parents then realised something was wrong and asked what was happening. And, when Mr F told them, they suggested he contact the police.

Santander investigated but said these circumstances didn't meet the criteria to be reviewed as a scam. It said Mr F had been the victim of a crime, so it didn't agree to refund the payments he had made. Mr F wasn't satisfied with Santander's response, so referred a complaint to our service.

One of our investigators looked at the complaint. But they didn't think anything we would have expected Santander to have done would have prevented the payments, or that it should be required to refund the money Mr F had lost. Mr F disagreed with our investigator, so the complaint has been passed to me.

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 don't think it would be fair to require Santander to refund the money Mr F lost here. I'll explain why below.

In broad terms, the starting position at law is that banks are expected to process payments and withdrawals that a customer authorises it to make. And Mr F accepts he made the payments here. So while I recognise he only did so as a result of the threats made toward him, he did authorise the payments. And so he isn't automatically entitled to a refund.

Santander is a signatory of the Lending Standards Boards Contingent Reimbursement Model (the CRM code). This requires firms to reimburse customers who have been the victim of certain types of scams, in all but a limited number of circumstances. But customers

are only covered by the code where they have been the victim of a scam – as defined in the code.

The CRM code defines a scam as where a customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person. Or where the customer transferred funds to another person for what they believed were legitimate purposes but were in fact fraudulent.

But here, Mr F made the payments to the people he thought he was transferring the money to. And the payments were made for the purpose Mr F thought he was making them for – in response to the blackmail. So Mr F wasn't deceived about either who he was paying or the purpose of the payments. Blackmail is also a crime, and so responding to blackmail is not a legitimate purpose for making a payment. And so the circumstances here don't meet the definition of a scam from the CRM code, and I don't think the CRM code applies.

The regulatory landscape and good industry practice also sets out requirements for banks to monitor accounts, have systems in place to look out for unusual transactions which might indicate its customers are at risk of financial harm, and to take additional steps or carry out additional checks before processing payments in some circumstances to help protect customers from the possibility of financial harm.

But even if Santander had recognised that Mr F was at heightened risk of financial harm from fraud as a result of some of the payments he made, I don't think the action I would have expected it to take would have prevented his loss.

I think a proportionate test to the risk I think Santander should have identified would have been for it to carry out some sort of human intervention with Mr F to attempt to establish the circumstances surrounding the payments. But Mr F has said the people messaging him told him to select incorrect reasons for the payments when he was asked about them by Santander – which he did. And, from what Mr F has said, it appears he also lied to his parents about the circumstances surrounding the payments and felt he had no choice but to do what the people messaging him were asking and make the payments.

So even if Santander had contacted him and asked him about the payments, I think it's likely Mr F would not have given it accurate or complete information about the purpose or circumstances surrounding them, in an effort to get the payments made – as happened with the questions he was asked.

And so I don't think any warning or guidance I would have expected Santander to give him following its checks would have impacted his decision to continue making the payments. So I don't think anything I would reasonably have expected Santander to have done here would have stopped Mr F from making the payments or losing the money he did.

We also expect banks to take reasonable steps to recover any money their customers have lost. But, from what I've seen, the funds were removed from the account Mr F sent them to before Santander was made aware of what had been happening. So I don't think anything I would have expected Santander to have done would have led to any of Mr F's money being recovered.

I sympathise with the position Mr F has found himself in. He has been the victim of a crime and I recognise that my decision will come as a disappointment to him. But I can only look at Santander's responsibilities here and, for the reasons set out above, I don't think anything I would have expected it to have done would have prevented the loss he suffered. So I don't think it would be fair to require Santander to refund any of the payments he made.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 30 May 2025.

Alan Millward
Ombudsman