

The complaint

Mr V, who is represented, complains that Santander failed to reimburse him in full after he was defrauded of funds.

What happened

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

Mr V was introduced to an investment opportunity by members of his family involving the trading of cryptocurrency. Happy to proceed, he made the following payments from his Santander account:

Payment type and date	Amount	Payee
1. 27 April 2021 – faster payment	£2	Crypto platform
2. 30 April 2021 – faster payment	£2,000	Crypto platform
3. 4 May 2021 – faster payment	£3,000	Crypto platform
4. 8 May 2021 – faster payment	£5,100	Crypto platform
5. 3 November 2021 – faster payment	£755	Payee 1
6. 30 November 2021 – faster payment	£6,877.80	Payee 1
7. 11 December 2021 – faster payment	£7,724	Payee 2
8. 11 January 2022 – faster payment	£19,918.69	Payee 1
Total loss:	£45,377.49	

Mr V later realised he'd been the victim of an investment fraud and reported the matter to Santander. It considered his claim and decided it could have done more to prevent the fraud. It decided to partially reimburse Mr V's loss; in total, it paid £27,595.09.

Mr V, via his representative, remained unhappy as he felt a full reimbursement was fair in the circumstances. So he referred his complaint to our service for an independent review.

An Investigator considered the evidence provided but felt the reimbursement paid by Santander was fair in the circumstances.

Mr V, via his representative, 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.

Considerations

In deciding what's fair and reasonable in all the circumstances of this 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 V made the payments in dispute. So, in accordance with the Payment Services Regulations 2017, Mr V 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) at the time the payments were made. Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of exceptions. One of the exceptions to reimbursement relevant to this complaint is where:

"the customer made the payment without a reasonable basis for believing that...the payment was for genuine goods or services"

Did Mr V make the payments holding a reasonable basis of belief that they were for a genuine investment?

Likely due to the passage of time, Mr V hasn't been able to provide our service with a great deal of information relating to the investment opportunity he was presented with at the time. However, he has provided:

- An advertisement for an event offering an opportunity to earn a passive income, which post-dates all the payments Mr V made from his account.
- A spreadsheet showing packages and rewards. This bears no information regarding how the investment opportunity worked or who was offering it.
- One screenshot of a message exchange giving banking details to pay.

This information doesn't go far enough in showing what the opportunity presented to Mr V was at the time, or how convincing it was.

Our Investigator has asked a series of questions via Mr V's representative in attempt to understand the nature of the investment he was being offered. But most of those questions have remained unanswered.

Mr V's representative has told our service that the opportunity was presented to Mr V via his family members. But I can't say that that alone was enough to show he held a reasonable basis for believing it was a genuine one.

Overall, I'm satisfied that this exception to reimbursement can be relied upon by Santander. It is therefore reasonable that Mr V be held at least partially liable for his loss.

Could Santander have done more to prevent the fraud?

Firms, like Santander, that are signatory The CRM Code also must meet certain standards in the detection and prevention of fraud. That includes detecting payments that present a

higher risk of being associated with fraud and delivering effective warnings where those risks are identified.

Santander has already reimbursed Mr V more than half of his total loss, as it felt it could have done more to protect him on *some* of the payments made. Even were I to consider it ought to have done more on *all* the payments made, I would only have directed Santander to reimburse half of the loss Mr V suffered to reflect his own liability.

As Santander has already reimbursed more than half of Mr V's loss, I do not find it reasonable to ask it to pay more than it already has.

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 V and Mr V to accept or reject my decision before 18 July 2025.

Stephen Westlake
Ombudsman