

## The complaint

Mr B complains that Santander UK Plc didn't do enough to prevent him from losing money to what he says was a scam.

Mr B has used a representative to bring his complaint. But, for ease of reading, I'll mostly refer to Mr B himself where I also mean his representative.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In December 2018 Mr B instructed a payment of £58,500 from his Santander account. At the time he believed it to be for a property investment in the form of a loan note with a business I'll refer to as 'H'. Several years later H went out of business and Mr B now believes that they were operating a scam.

In 2024 he complained to Santander that they hadn't done enough to protect him from being a victim of a scam and his associated losses. Santander didn't offer any redress and in summary said they considered this to be a civil dispute about a failed investment, not a scam. Mr B referred his complaint to our service and it was considered by one of our Investigators. He didn't recommend the complaint should be upheld. In summary he said he wasn't persuaded that H were operating a scam in line with the definition of the Lending Standards Board's Contingent Reimbursement Model (CRM Code). Mr B disagreed and asked for an Ombudsman to review his complaint.

I too didn't think the complaint should be upheld. But because my reasoning was different to what our Investigator had said I reached out to Mr B's representative and shared the below, inviting any further comments they might have. A similar opportunity to respond was provided to Santander. I said:

*"As a service we aim to work informally where we can. So, I'm getting in touch via email in the first instance for speed and convenience.*

*Much of the discussion so far on this case has been in relation to whether H were operating a scam such that it would meet the definition of APP fraud under the CRM Code. However, the single payment of £58,500 that was made by your client to H took place on 17 December 2018.*

*This was before the introduction of the CRM Code, so that wouldn't be a relevant consideration here. In order to uphold this complaint, I'd still need to be persuaded that your client had been the victim of a scam, but also that Santander had failed in such a way that it could fairly be said it was causal to the loss suffered.*

*The evidence from Santander states: "Payment has been made in branch, Newcastle Upon Tyne. Customer verified via chip and pin and driving licence. Customer provided with scam chat in branch, payment reason given was investment." I don't think it's likely that more detail*

*will be available about an in branch conversation that took place almost seven years ago now.*

*Even if I were to view several factors in favour of your client and to accept that H were operating a scam and that the scam chat that took place in branch was insufficient (for clarity I'm not making these findings), I still don't think there would've been any information that was publicly available in December 2018 that would've indicated that H were operating a scam or that would've prevented your client from wanting to continue with his payment. There is debate to this day with the benefit of hindsight and all the information that has since come to light. Indeed, in December 2018 there was news and reporting about the ongoing construction of H's Hadrian's Tower development in Newcastle, which went on to be successfully completed."*

I also shared a link which evidenced reporting of the ongoing construction of a development at the relevant time before continuing:

*"Had your client been prompted to have done more research, I think it's more likely than not that H would've been able to evidence their ongoing projects at the time and to have been able to supply a great deal of evidence to reassure him. As such, I don't think any level of intervention by Santander in your client's payment in December 2018 would've made a difference here. The CRM Code and more recent scheme introduced by the PSR both aren't retrospective and can't be used as a reason to ask more from Santander.*

*And given H were in liquidation by the time your client made his allegation of a scam to Santander, I don't think there was anything they reasonably could've done to try to help recover his funds.*

*I'm of course sympathetic to him losing such a significant amount of money. But as I don't think this is something Santander can fairly be said to be responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint."*

Santander didn't provide any further comment. Mr B provided a response which I'll address below.

### **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.

Mr B said that he acknowledged the points made about the CRM Code. But he still disagreed and thinks Santander's actions did cause the loss suffered. He pointed out that even in December 2018 Santander had a duty of care to exercise vigilance and take reasonable steps. He believes the steps taken were insufficient. He also pointed out that public information about H's legitimacy doesn't negate Santander's responsibility to provide effective warnings.

I've taken account of what Mr B has said. And I do agree that in 2018 Santander were expected to do what they fairly could to protect their customers from fraud and scams. I would also agree that what information might or might not have been available at the time doesn't remove those obligations.

But, at the same time, I also need to acknowledge that expectations on banks over the years have generally increased with regards to the prevention of fraud and scams. And it wouldn't be fair to apply today's standards to the events of around seven years ago. There won't have

been a recording of the interaction in branch in 2018 and so I can't know with 100% certainty what was said between Mr B and Santander. I think it's more likely than not that their notes are correct and that some form of scam chat was held.

But as I said previously, even if I make several assumptions in favour of Mr B's position. Specifically that H were operating a scam and that the intervention from Santander wasn't as detailed or thorough as it ought to have been (things I'm specifically not finding), this still wouldn't change my mind as to the outcome of this complaint.

I don't think any level of intervention that fairly could've been expected would've resulted in Mr B ending up in a different position. As I've covered, H were in the midst of a major development and would've been able to evidence this. So, I've no reason to think that there would've been anything available at the time that would've resulted in Mr B concluding that H were operating a scam and would've prevented him from going ahead with his payment. As such, even if it could be conclusively shown that there were failures by Santander, for the reasons given, I don't think I could fairly say that these would've been causal to Mr B's loss. It follows that there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 November 2025.

Richard Annandale  
**Ombudsman**