

The complaint

Miss P has complained that Santander UK Plc won't refund the money she lost after falling victim to a scam.

What happened

In summer 2024, Miss P was selling an item online. A scammer got in touch, took their conversation off the platform, and told Miss P they'd bought the item. They sent Miss P a link to a fake support function for the platform. Miss P was asked to enter her card details, and to approve a £300 card payment to a money transfer service, supposedly to verify herself. The scammer kept saying that the payment hadn't gone through, and asked for it again. Miss P authorised 4 such payments, totalling £1,200.

Miss P reported the matter to Santander without delay. But it wasn't possible for Santander to block or reverse the payments. And Santander didn't think they were otherwise liable for Miss P's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Miss P asked for an ombudsman to make a final decision, so the complaint's 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 understand that Miss P fell victim to a scam, and so she has my sympathy. I appreciate this cannot have been an easy time for her, and I appreciate why she would like her money to be returned. It's worth keeping in mind that it's the scammer who's primarily responsible for what happened, and who really owes Miss P her money back. But I can only look at what Santander are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Santander liable for Miss P's loss. I'll explain why.

It's not in dispute that Miss P authorised the payments involved. So although she was acting on the scammer's instructions, and although she didn't intend for the money to end up with a scammer, under the Payment Services Regulations she is liable for the loss in the first instance. And broadly speaking, Santander had an obligation to follow her instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Santander should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Santander should have done more in Miss P's case.

However, while this was an unfortunate amount to lose, the spending was not so high value as to have been of particular concern to Santander. The payments were not especially out of character for this account – the previous activity was mostly transfers for quite similar amounts. These payments were authorised in-app by the genuine customer, to a genuine transfer service. And there was nothing else about the payments which I think should've definitely caused Santander to intervene. So overall, I don't think the payments involved were so unusual or out of character that Santander needed to intervene.

I appreciate that Miss P wanted Santander to block or stop the payments when she reported the matter. But it wasn't possible for Santander to do that. While the payments would've showed as pending at the time, that's just to do with the way they're processed and the time it can take for the merchant to do certain things on their end. The transactions had already gone through, and it was already too late for Santander to block or stop them by that point. I do appreciate that this is not intuitive.

I've then considered whether Santander could've reasonably done more to recover the money. But they were not able to simply take the money back from the transfer service. While there is a code for getting money back from scams, it doesn't cover these kinds of card payments. And it wasn't realistically possible for Santander to get the money back via a chargeback. Chargebacks are voluntary, and can only be made for certain reasons under strict rules set by the card scheme. There was no chargeback reason which would've been appropriate here. A chargeback would've been a claim against the transfer service rather than the scammers. And the transfer service provided the service they were supposed to. So there was no realistic prospect of success for a chargeback, and Santander didn't need to try one in this case. And there wasn't anything more that Santander could reasonably do to get the money back here.

Finally, I appreciate that after her initial conversations with Santander, Miss P came away with the impression that they would get her money back. But I can see that Santander investigated in good time, and they let her know quickly that they weren't able to get the money back after all.

So while I'm very sorry to hear about what the scammer did to Miss P, I don't think Santander can fairly be held responsible for her loss. And so I can't fairly tell Santander to refund Miss P's money in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 7 April 2025.

Adam Charles
Ombudsman