

Complaint

Mr W is unhappy that Santander didn't reimburse him after he reported falling victim to a scam.

Background

In 2022, Mr W became acquainted with an individual I'll refer to as Mr J.

Mr J claimed to work in the IT sector and said he was able to source discounted electronic goods, including Samsung mobile phones and Amazon Firesticks. After being acquainted for a while, Mr J said he could obtain reduced-price cruise holidays through a 'friends and family' discount scheme. He claimed to know someone who worked in the industry who could facilitate this. Mr J offered to arrange a cruise holiday for Mr W and two other couples known to him. Mr J was also due to join the group on the trip. Mr W agreed and made two payments to him from his Santander account to cover the cost of the cruise. This was a little under £3,000.

Mr J said he had booked cabins for everyone and had also arranged hotel accommodation near the port for the night before departure. However, it later emerged that the hotel bookings were only provisional reservations and had not been paid for. On the day of travel, Mr W went to collect Mr J from the nearest train station. He didn't arrive and hasn't been contactable since.

Mr W subsequently concluded that he had been scammed and raised a complaint with Santander. It declined to reimburse him. It said this was a civil dispute rather than a scam. Mr W wasn't happy with that response and so he referred his complaint to this service. An Investigator looked into things but did not uphold the complaint. Mr W disagreed with the Investigator's findings, and so the complaint has now been passed to me for a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under the Payment Services Regulations 2017 and the terms of Mr W's account, Santander is generally required to process payments that a customer authorises. However, that's not the end of the matter. Santander is also a signatory to the Contingent Reimbursement Model (CRM) Code, which sets out when customers should be reimbursed if they fall victim to an authorised push payment (APP) scam. For the CRM Code to apply, the payment must meet the definition of an APP scam. That means Mr W must have transferred money for what he believed were genuine reasons, but which turned out to be fraudulent.

The key question I need to consider is what Mr J's intentions were at the time the payments were made. Of course, I can't know what they were for certain. But I can look at the evidence and decide whether it shows, on the balance of probabilities, that Mr J set out to deceive Mr W. It's not enough for fraud to be a possible or even plausible explanation—there must be persuasive evidence that it's *more likely than not* that Mr J acted dishonestly from the outset.

Having reviewed everything provided, I don't think that threshold has been met. Mr W and Mr J had known each other for around two years. They had spent time together socially, gone shopping, and Mr J had visited Mr W's home shortly before the planned cruise. This suggests a level of trust and familiarity. While Mr W didn't receive the holiday he paid for and Mr J has since become uncontactable, that alone doesn't prove fraud.

In addition to that, it appears that Mr W initiated the conversation about the cruise and there's nothing to suggest Mr J pressured him into making payments. In fact, he stayed in contact for several days after the payments were made, which isn't typical behaviour for someone who intended to scam from the outset.

Taking all of this into account, while I accept that fraud is a possible explanation for what has happened here, I'm not persuaded that the evidence is strong enough to show that it's more likely than not. As a result, I don't think this was an APP scam based on the CRM Code's definition. I understand Mr W has suffered a significant financial loss and will be disappointed by this outcome. But based on the evidence, I consider this to be a civil dispute between two acquaintances, rather than a matter that falls within the scope of the CRM Code. For that reason, I don't think it would be fair or reasonable to ask Santander to pay a refund.

If new evidence comes to light (for example, if the police conduct a formal investigation into Mr J) then it's possible that the position could change. Should that happen, Mr W should share any material new information with Santander so it can review the matter again. If he's dissatisfied with Santander's response at that stage, he may be able to bring a fresh complaint to this service for further consideration.

Final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 August 2025.

James Kimmitt
Ombudsman