

The complaint

Mr W complains that Santander UK Plc ('Santander') hasn't refunded the money he believes he lost to an authorised push payment ('APP') investment scam.

Mr W referred his complaint to this service with the help of a professional representative. However, for ease of reading, I've referred only to Mr W throughout my decision.

What happened

In March 2019, Mr W made a £10,000 investment with a business, which I'll refer to as 'Company A'. He made another £10,000 investment with Company A in January 2021. Mr W believed he was purchasing two separate bonds. Company A subsequently ceased operating, leaving Mr W unable to withdraw any of his funds.

In August 2024, Mr A complained to Santander. He said Company A has scammed him and asked Santander to refund the money he'd lost. Santander declined to reimburse Mr W's loss. Santander said Mr W's loss was the result of a civil dispute and not an APP scam, which meant it wasn't responsible for refunding Mr W.

Unhappy with Santander's response, Mr W referred his complaint to this service. Our Investigator considered the complaint, but didn't uphold it. In summary, they said they weren't persuaded that Mr W had demonstrated that Company A had intended to scam him when the payments were made, meaning Santander didn't need to reimburse his loss.

Mr W didn't accept our Investigator's opinion. He argued that Santander reasonably ought to have done more when the payments were made to ensure they were being made for a genuine reason and, if that had happened, his loss could've been avoided. Mr W considered that Santander was responsible for his loss because it failed to ask proportionate questions when the payments were made.

As an agreement couldn't be reached, the complaint has 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.

Santander hasn't refunded Mr W's loss because it thinks his loss was the result of a civil dispute, which it's not responsible for. For me to say that decision was wrong, I'd first need to be satisfied that Mr W has, most likely, been the victim of an APP scam.

Santander isn't responsible for all APP payments which ultimately result in a loss for the customer. For Santander to be held responsible for Mr W's loss, the situation would need to meet the Financial Conduct Authority's ('FCA') definition of an APP scam. The relevant definition in this case would be that Mr W transferred funds to another person for what he believed was a legitimate purpose, but which was in fact fraudulent.

I've considered the evidence available, but I can't fairly conclude that Mr W has been the victim of an APP scam in line with this required definition. This means Santander isn't required to reimburse Mr W. I'll explain why.

The purpose of a payment forms part of the FCA's definition of an APP scam. As such, the reason Mr W made the payments is a relevant consideration when determining whether Santander can be held responsible for his loss or not. For me to say the FCA's definition of an APP scam has been met, I need convincing evidence to demonstrate Mr W was dishonestly deceived about the very purpose of the payments he made – i.e., that his funds were criminally obtained. To uphold Mr W's complaint, I'd need to be reasonably satisfied that it is more likely than not that Company A received his payments for a fraudulent purpose.

Mr W believed that he was purchasing two fixed-term bonds from Company A, on the understanding that the capital he invested would be returned to him with interest when the fixed-terms expired. Mr W hasn't provided any evidence to demonstrate, at the time the payments were made, that Company A had no intention of returning his funds when the fixed-term bonds were due to expire, nor has he made any allegations as to how he believes Company A may have misappropriated his funds.

In his response to our Investigator's opinion, Mr W appeared to accept that there is insufficient evidence to demonstrate Company A was most likely operating an APP scam at the time the payments were made. However, he believes that Santander should've done more to question the investments he was making with Company A and that by failing to do so, Santander has breached its duty to protect him from fraud, meaning it should be held responsible for his loss.

I've considered Mr W's argument, but I'm still not persuaded his complaint should be upheld. Even if Santander failed to ask proportionate questions about the payments Mr W was making, to be held responsible for the loss he has suffered, Mr W would still need to be able to demonstrate that he was, most likely, the victim of an APP scam. He hasn't been able to do that, and so Santander can't fairly be held responsible for his loss, regardless of any potential failings by Santander at the time the payments were made.

I appreciate Mr W feels very strongly that Company A has scammed him and I accept it's possible that Company A never intended to return his money with the agreed interest. However, after considering all the evidence available to me, I'm not persuaded it's more likely than not that Mr W has been the victim of an APP scam.

I sympathise with the loss Mr W has suffered, which is a significant amount. However, as I've not been persuaded Mr W has been the victim of an APP scam, I don't find that Santander acted unfairly by declining to reimburse him.

If new material evidence comes to light at a later date to show Company A was most likely operating a scam, then Mr W would be able to ask Santander to reconsider this matter (and may ultimately be able to refer the issue back to us if he's unhappy with Santander's response).

My final decision

For the reasons explained 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 W to accept or reject my decision before 24 September 2025.

Liam Davies **Ombudsman**