

The complaint

Mr A has complained Santander UK plc won't refund £2,800 he lost as the result of a cryptocurrency scam.

What happened

After attending an online social media seminar, Mr A was sufficiently persuaded by the various success stories he'd heard to set up his own trading account (with another payment institution who I'll call P) and invest £2,800 from his Santander account.

Within a couple of months Mr A believed he'd been scammed and asked Santander to refund him.

Santander wouldn't refund him as the money Mr A had sent from his Santander account went to another account in his name. Mr A didn't believe he had access to these funds and brought his complaint to the ombudsman service.

Our investigator felt she'd not been provided with sufficient evidence of a scam, but in any case wouldn't be asking Santander to do anything further.

Still unhappy, Mr A has asked an ombudsman to consider his complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

I don't dispute Mr A believes he was scammed. He didn't consider himself an experienced investor and has now lost £2,800. He has my sympathy about what he has gone through.

However, I'm not convinced that the evidence indicates Mr A was the victim of an investment scam. I've not been sent much detail about the account Mr A opened, what his expectations were and what triggered him to realise there'd been a scam. Possibly Mr A invested a limited amount to benefit from the risky nature of trading cryptocurrency.

There's no dispute that Mr A made and authorised the payment. This was after a transfer of funds into his Santander account. Although I note, as Santander will have done, that he spent only a limited amount of the funds available to him.

I'm satisfied the transaction was authorised under the Payment Services Regulations 2017

It's generally accepted that Santander has an obligation to follow Mr A's instructions. So in

the first instance Mr A is presumed liable for his loss. But that's not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that Santander should:

- have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering, and the financing of terrorism.
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which financial institutions are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, have taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

At no stage did Santander intervene or ask Mr A what he was doing. However, I don't think I'd consider this an issue or feel they should have done more to note the payment Mr A was making to P. This payment would not have registered for any warning because it wasn't seen as high-risk or was it followed by subsequent payments to P. A generic warning about investments was provided.

But even if they'd noted this payment, I don't believe Santander would have felt any reason to alert Mr A he was the victim of a scam as I don't believe he necessarily was.

I say this because:

- Santander should have been alert to any unusual payments Mr A was making but this was a domestic single payment for a relatively low value, compared to what we can see in scam cases. Mr A's account use included regular transfers between his own accounts. Here Mr A had set up an account with P and made a payment into that account.
- If this were a scam, we'd more likely see Mr A be persuaded to use more of his savings to make further investments in his wallet with AP. Although I believe he had more money at his disposal, he chose to make a relatively small payment of £2,800 which indicates he was managing his risk and was aware that this investment could be highly speculative.
- There was only one payment. I think it's unlikely from that payment alone Santander would have detected any potential risk to Mr A.

Overall, I'm not convinced I'd have expected Santander to intervene or that they should now refund Mr A.

My final decision

For the reasons given, my final decision is not to uphold Mr A's complaint against Santander UK plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or

reject my decision before 22 August 2025.

Sandra Quinn
Ombudsman