

## **The complaint**

Mr B has complained that Santander UK Plc won't refund money he lost to a scam.

## **What happened**

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my decision.

## **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 agree with the investigator's findings for broadly the same reasons, I will explain why.

Firstly, I want to acknowledge that my decision is focused on the Santander's actions in relation to the scam. I appreciate Mr B is unhappy with Santander in relation to other service issues. However, our investigator explained to Mr B he would need to raise these separately with Santander. As such they are not considered in this decision.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mr B knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Santander is expected to process his requests, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Santander to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Santander ought reasonably to have held such suspicions or concerns in relation to Mr B's payments - and if so, what might've been expected from a proportionate intervention at that time. Further to that, where there is an interaction between a customer and a bank before a high value payment is processed, as there was here, I'd expect the bank to take reasonable steps to understand the circumstances of that payment.

So, taking all of this into account, I need to decide if Santander acted fairly and reasonably in its dealings with Mr B when he made the payments. I also need to decide if Santander could've reasonably recovered the lost funds.

Having considered the size of the payment in dispute, where it was going to and what Santander would've reasonably known at the time, and comparing Mr B's previous expenditure on his account, I'm satisfied that the payment he made on 25 August 2023 for £7,273.30 ought to have triggered Santander's fraud detection systems. I say this because it was a higher value payment being made to a cryptocurrency exchange, so in my view, there

was enough about the characteristics of this transaction that ought to have been concerning such that Santander should have intervened.

So, I have gone on to consider what a proportionate intervention would have been at the time. The FCA's Consumer Duty, which was in force at the time these payments were made, requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers. As such, firms, have developed warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In light of the above, by August 2023, when these payments took place, Santander should have had systems in place to identify, as far as possible, the actual scam that might be taking place for example by asking a series of automated questions designed to narrow down the type of scam risk associated with the payment he was making – have provided a scam warning tailored to the likely scam Mr B was at risk from. I accept that any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance. As such, this is the type of intervention, given the payment size and the risk it presented which I feel would have proportionate at the time. However, Santander did intervene and chose to do a more formal intervention (human intervention) than I concluded was proportionate.

Santander blocked the payment and contacted Mr B by telephone. Having listened to the call I am satisfied that Mr B was asked open and probing questions regarding the payment such as:

- How did he know about the cryptocurrency exchange?
- What research was completed?
- How were you referred to the cryptocurrency exchange?
- Have funds come in and out and when was the last time?
- How did you open the account?
- Have you researched the advisor and cryptocurrency exchange to check the legitimacy?
- Has anyone helped you or anyone had access to your account?

The advisor at Santander also explained that Mr B shouldn't go through with the payment if he found the opportunity on a social media website.

Mr B responded to the questions asked by the advisor at Santander, I am aware he said the following:

- He had been investigating for some months and was waiting for this moment.
- His ex-partner was a financial advisor
- Due to him being scammed previously he had done a lot of research, including checking to see the firms were registered with the FCA.
- He had held an account with the cryptocurrency exchange for some time and aware that it was a reputable company.
- He had been dealing with the cryptocurrency exchange for a while, and he trusted it

He had been a victim of a cryptocurrency scam previously but this time this had all come from him. He was the one that instigated it and nobody else. He had learnt from it and that was not the case now.

- He opened the account online and the relevant authentication was completed and provided all the relevant documentation.
- He explained he hadn't seen the opportunity on social media.

The advisor at Santander went on to provide several warnings regarding cryptocurrency scams and Mr B chose to proceed with the transfer. Having reviewed how Mr B answered the questions it is apparent he didn't always provide Santander with accurate information. For example, to our service Mr B's rep said:

"Mr B was motivated by the prospect of having such a knowledgeable and experienced professional working with him to ensure his investment would be profitable"  
In Mr B's submission to our service, it was also said that:

"He had no reason to hide that he'd been talking to and acting under the instructions of a crypto currency trader".

However, when the advisor at Santander enquired about this Mr B had said he was acting on his own accord. As such, by denying Santander with the accurate answers to the questions it asked (in order to establish the potential risk Mr B faced) it denied it the opportunity to prevent Mr B's losses. And I can't hold Santander responsible for that. I have also considered the remaining responses he provided to Santander's questions and I am satisfied there was nothing which stood out as unusual or suspicious in the answers he provided which warranted further action from Santander.

Taking this all into account, I am satisfied that Santander went one step further with the intervention it proceeded with than what I would have concluded was proportionate. And I am satisfied the actions Santander took were fair and reasonable. I say this because, on balance, given the inaccurate information Mr B provided the advisor at Santander and his confidence in the research he had completed along with the knowledge of the scammer I am satisfied, that Mr B would have continued to provide Santander with inaccurate information denying it an opportunity to unveil the scam. I am satisfied that Mr B was more persuaded by the scammer to the extent Santander wouldn't have been able to break the spell and unveil the scam. Therefore, I can't reasonably hold Santander responsible for this.

I have taken into consideration Mr B's vulnerability and health concerns when reaching this conclusion, and while I empathise with the position he is in, I am not persuaded Santander is required to do anything further.

### *Recovery*

I've also thought about whether Santander could have done more to recover the funds once it became aware of the situation, as in some circumstances the money can be recovered. It's important to note that he didn't ask Santander to send the money directly to the scammer but instead to a legitimate cryptocurrency exchange (to an account in his own name under his control). Santander did as Mr B requested. So, it was always highly unlikely that Santander would be able to facilitate the recovery of the payment after they were moved on from Mr B's wallet to the scammers.

In summary, I know that Mr B will be disappointed with this outcome. Not least because the matter has been ongoing for some time. But despite my natural sympathy for the situation in which Mr B finds himself in, for the reasons given, it wouldn't be fair of me to hold Santander responsible for her loss.

### *Compensation*

The main cause for the upset was the scammer who persuaded Mr B to part with his funds. I haven't found any errors with Santander's investigation, so I don't think he is entitled to any compensation.

### **My final decision**

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 7 January 2026.

Jade Rowe  
**Ombudsman**