

## The complaint

Mr and Mrs S complain that Santander UK Plc (“Santander”) have declined to reimburse losses they incurred as the result of a scam.

## What happened

In 2021, Mr and Mrs S were referred to an investment opportunity in forex trading by a friend. The investment was with a company I shall further refer to as ‘Company A’. After carrying out some checks on Company A and its directors, Mr and Mrs S decided to invest.

In order to fund the investment, Mr and Mrs S were required to send cryptocurrency to Company A. To do this, Mr and Mrs S set up an account with a cryptocurrency exchange and funded it with the following payments from their Santander account:

Date	Activity	Payment number	Amount
14/10/2021	Faster payment to cryptocurrency exchange	1	£10
20/10/2021	Faster payment to cryptocurrency exchange	2	£2,300
21/10/2021	Faster payment to cryptocurrency exchange	3	£2,000
21/10/2021	Faster payment to cryptocurrency exchange	4	£2,000
21/10/2021	Faster payment to cryptocurrency exchange	5	£2,000
22/10/2021	Faster payment to cryptocurrency exchange	6	£2,000
22/10/2021	Faster payment to cryptocurrency exchange	7	£2,000
22/10/2021	Faster payment to cryptocurrency exchange	8	£1,190
19/11/2021	Faster payment to cryptocurrency exchange	9	£100
20/11/2021	Faster payment to cryptocurrency exchange	10	£100
03/12/2021	Faster payment to cryptocurrency exchange	11	£100
03/12/2021	Faster payment to cryptocurrency exchange	12	£100
20/02/2022	Faster payment to cryptocurrency exchange	13	£325
			Total £14,225

Once the funds had entered their account with the cryptocurrency exchange, Mr and Mrs S exchanged their funds into cryptocurrency which they then forwarded to the wallet details given by Company A.

In March 2024, Mr and Mrs S contacted Santander to request they reimburse the payments they’d made towards the investment with Company A as they now felt they’d been scammed. Santander investigated the matter but declined to reimburse Mr and Mrs S on the basis that the payments were authorised. Unhappy with this response, Mr and Mrs S referred their complaint to our service via a professional representative.

An investigator looked into Mr and Mrs S's complaint and upheld it, in part. They found that Santander ought to have intervened prior to releasing Payment 5 in the table above, given how suspicious and unusual the account activity had become at this stage. Had Santander intervened, the investigator was satisfied they'd have been able to have prevented the scam from continuing. The investigator did, however, also believe that Mr and Mrs S should share liability for their loss given that there was more they could've done to protect themselves from the scam.

Mr and Mrs S agreed with the investigator's findings but Santander disagreed on the basis that they didn't believe they were the point of loss and so shouldn't be held liable.

As the complaint couldn't be resolved by the investigator it has been passed to me for a 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position at law is that a bank such as Santander is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, so the starting position is that Santander isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Santander also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Santander acted fairly and reasonably in its dealings with Mr and Mrs S.

In this case, Mr and Mrs S agreed with the investigator's findings and accepted a 50% reimbursement of the losses that occurred from, and including, Payment 5 onwards. As that's the case, the outstanding dispute lies with Santander's contention that they shouldn't be held liable to reimburse Mr and Mrs S as they were not the point of loss.

Having reviewed the information supplied by Santander, it's clear that their systems did flag Payment 3 for further checks, resulting in them contacting Mr and Mrs S prior to releasing the payment. Unfortunately, Santander are unable to provide further evidence and

information to confirm the extent of this intervention. That said, this satisfies me that Santander did have the capability to prevent any payments that were connected to a scam at the time Mr and Mrs S made the payments.

It's true that the funds remained in the control of Mr and Mrs S immediately after they left their Santander account, given they went to an account in their name. But, this doesn't absolve Santander of its duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe.

Based on everything I've seen, I'm satisfied that Santander can, and should, be held responsible for some of Mr and Mrs S's loss in line with our investigator's findings. I say this as I'm satisfied they ought to have identified that Mr and Mrs S may have been at risk of fraud or financial harm at the time of Payment 5 and discussed the payment prior to its release. Had they done so, I'm satisfied that Santander couldn't prevented the loss from this point onwards. Lastly, I'm also satisfied that Mr and Mrs S could've done more to protect themselves from the scam prior to making the payments.

### **Putting things right**

To put things right Santander Bank UK Plc should:

- Refund 50% of the payments made from, and including, Payment 5 detailed in the table above.
- Pay interest on the refund of 8% simple interest, calculated from the date of the payments until the date of settlement.

If Santander considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs S how much it's taken off. It should also give Mr and Mrs S a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

My final decision is that I uphold this complaint, in part, and require Santander UK Plc to reimburse Mr and Mrs S as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 15 October 2025.

Billy Wyatt  
**Ombudsman**