

The complaint

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

What happened

Mr B has said he was unexpectedly added to a group on a messaging application, which was a discussion regarding investments. Mr B has said the member in the chat was sharing their success and how good the advisor had been. Mr B became interested and made contact with the 'advisor'. Mr B says he was given advice to make certain trades and was advised on expected returns.

The trades were conducted through a legitimate investment platform and Mr B says when he purchased the shares, he was able to see his ownership on the website. He made five successful 'trades' and was able to sell the shares for a small profit.

However, Mr B says the shares he was told that the last shares he purchased he would receive 40% return after two months, but rather than the price increasing as he was told would happen the value dropped. It was at this stage Mr B realised he had fallen victim of an investment scam.

Mr B complained to Santander, but it didn't think it had acted unfairly as such it didn't refund Mr B's losses.

Mr B remained unhappy and brought the complaint to our service. Our investigator looked into Mr B's complaint, but he didn't recommend that it be upheld. So, Mr B asked for the case to be passed to me to consider.

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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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 her account, Santander is expected to process Mr B's payments, 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.

So, taking all of this into account, I need to decide if Santander acted fairly and reasonably in their dealings with Mr B when he made the payments. Specifically, whether they should've done more than they did before processing them – and if they had, would that have made a difference. I also need to decide if Santander could've reasonably recovered the lost funds.

Our investigator said, the payment Mr B made on 27 June 2022 of £10,000 ought to have flagged to Santander as being unusual or suspicious. He felt Santander ought to have contacted Mr B before allowing the transaction to proceed. And while I agree, I think it is arguable there were payments prior to this such as the payment four, when Mr B transferred £5,000 on 6 June 2022 which ought to have been concerning for Santander. I say this because, given the size of the payment, the increase spending on the account, frequency of the payment and where it was going to, in my view there was enough about the characteristics of this payment that ought to have been concerning for Santander.

However, having consider what is likely to have happened, if Santander had intervened on payment four due to when the payment was made, it is likely it would have issued Mr B with a general scam warning. And considering what Mr B knew at the time he was making the payment and what the scam warning was likely to have covered, I think it is unlikely it would have resonated with Mr B. I say this because, the warning wouldn't have covered the specific circumstances Mr B found himself in. And at that time, Mr B has said he trusted the scammer and had conducted research and felt assured the opportunity was genuine. However, I am also of the opinion that the payment on 27 June 2022 for £10,000 was uncharacteristic compared to Mr B's usual account activity and as such ought to have flagged to Santander as being unusual and suspicious, for the same reasons I have explained above. Therefore, I think it is reasonable to conclude that Santander ought to have intervened.

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances and at the time the payments were made. On balance, I agree with the investigator's findings that it would have been proportionate for Santander to have contacted Mr B and to have asked open and probing questions prior to allowing the payment to go through. I would have expected Santander to have asked, what the payment was for, his investment experience, what he was investing in, was there a broker involved and what research he had carried out.

I also have to bear in mind that the level and depth of questioning has to be proportionate to the situation – I have to consider that Mr B should not have been subjected to an interrogation by bank staff. Having done so, I'm not persuaded a more formal intervention would have unveiled the scam. I say this because Mr B has told our service that he conducted research into the company "*and found what seemed like a legitimate presence*" and that he was "*convinced by how professional they sounded*". He had researched the shares he was investing in and could explain a little about them. On top of this Mr B has told our service, he used a legitimate trading platform to place the trades, which was also FCA

regulated. He has explained that he was able to withdraw funds but had decided to “reinvest” and had proof of ownership of the shares.

Having reviewed the scam chats it is clear Mr B is being guided by the scammer in some regard. He was told not to share the information regarding the investment opportunity and Mr B responded by saying he understood. When Mr B had difficulty using certain trading platforms, he suggested alternatives and the scammer firmly guided him not to do so, and Mr B followed those instructions. Mr B has told our service he “trusted and believed the scammer”. And as I have highlighted above, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. And while there are circumstances where it might be appropriate for Santander to take additional steps or make additional checks before processing a payment, the steps it takes needs to be proportionate and as I have explained have to consider that Mr B should not have been subjected to an interrogation by bank staff. After outlining what questions Santander ought to have asked, and assessing what Mr B has told us he knew at the time, I think it is unlikely Santander would have had concerns or identified any red flags. I say this because, the questions I have determined would have been proportionate to ask Mr B at that time, on balance I think Mr B would have been able to confidently answer. And the information available to Santander wouldn't have raised concerns or red flags. As such, I am satisfied the scam wouldn't have been uncovered. Therefore, I can't reasonably hold Santander responsible for this.

I have gone on to consider if Santander took reasonable steps to try and recover the funds. As, Mr B made the payments via debit card, the chargeback process is relevant here. The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the merchant or merchant acquirer can defend a chargeback if it doesn't agree with the request.

Unfortunately, the chargeback rules don't cover scams. So, Santander would only be able to process chargeback claims against the merchant he paid. The merchant in this case was not the scammer. As such, Santander would have been unable to pursue the merchant as Mr B received the service he paid for before losing the funds to the scammer. It follows that won't be asking Santander to do anything further.

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 10 October 2025.

Jade Rowe
Ombudsman