

The complaint

Mr A complains that Santander UK Plc didn't protect him when he lost money to a scam.

A representative who I will call R complains on behalf of Mr A.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary and based on everything sent by both parties, I understand it to be as follows.

In April 2024, Mr A found an advert for a trading opportunity on social media. He was added to a group and was taught how to complete trades. Along with his own funds, Mr A borrowed money from others to fund the trades, and in total lost over £95,000. He made 16 payments to a cryptocurrency platform, and one to a different financial provider – who he has also complained to.

Mr A realised he had been scammed when he tried to withdraw his funds but was told he needed to deposit large amounts of money for fees in order to do so.

R complained to Santander who explained that the payments had been made to an account in Mr A's own name. They said he had purchased cryptocurrency which he then sent on to the scammer. Because of this, Santander weren't willing to refund any of the funds lost.

Unhappy with Santander's response, R brought Mr A's complaint to our service.

Our Investigator looked into everything and was of the view that Santander should refund 50% of Mr A's loss from the second payment onwards, together with 8% simple interest on that amount. Regarding the payment made to Mr A's other provider for £14,000, our investigator said that liability should be shared, and that Santander should refund 25% of this payment.

Because of the risk associated with cryptocurrency payments, our Investigator said that Santander should have probed further during the calls they held with Mr A, before processing the payments. He believed that with a more tailored warning about cryptocurrency scams, Santander could have uncovered what was going on.

However, our Investigator did also place some responsibility with Mr A. He said that Mr A could have carried out more detailed research before getting involved in the scam as there were negative reviews available online at the time. He also took out a loan on the instruction of the scammer which should have been a red flag, and therefore our Investigator held Mr A 50% liable for the losses he incurred.

Mr A accepted the view. Santander however disagreed and because of this, the complaint has been passed to me for review.

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.

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, but 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 and it reflects the informal nature of our service.

There is no doubt that Mr A has been the victim of a scam here – he has lost a large sum of money and has my full sympathy for this.

When thinking about whether it would be fair for me to tell Santander to reimburse Mr A for his loss (or a proportion of it), I would need to find that they reasonably ought to have prevented the payments made, or that they hindered the recovery of them.

I've thought carefully about whether Santander treated Mr A fairly and reasonably in their dealings with him, both when he made the payments and when he reported the scam, or whether they should have done more. Having done so, I agree with the Investigator's view. I understand Santander disagree, and so I want to explain why I've reached the decision I have.

I have kept in mind that Mr A made the payments himself and the starting position is that Santander should follow their customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr A didn't intend for his money to ultimately go to fraudsters – but he did authorise the payments to be made. However, there are some situations when a bank should have taken a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

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.

Because of this, I've thought about whether the transactions should have highlighted to Santander that Mr A might be at a heightened risk of financial harm due to fraud or a scam.

Santander knew or ought to have known that Mr A's payments were going to a cryptocurrency provider. Losses to cryptocurrency fraud reached record levels in 2022 and by the end of 2022, many high street banks had placed restrictions or additional friction on cryptocurrency purchases because of the elevated fraud risk. So, I agree with the Investigator that while the first payment was small, by the time the second payment of £6,632.21 took place on 14 April 2024, Santander should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud and therefore should have probed further.

I also don't think it's enough to say that just because the payments were being made to an account in Mr A's own name, there wasn't a cause for further intervention or questioning by Santander here.

So, having decided that Santander should have done more while speaking with Mr A, I have then gone on to think about whether any further intervention would have uncovered the scam.

I have listened to all of the calls that have been provided, and while I appreciate that Santander did speak with Mr A many times, I do think they could have probed further. The same script / list of questions was used in each call, and it was discovered on 15 April that the company Mr A was paying wasn't authorised by the FCA. This wasn't checked again by any advisor in the following calls, and it doesn't appear that a note was added, otherwise the

advisors who spoke to Mr A after 15 April would have seen it and I think that would have led to further questioning as he was continuing to pay towards an investment that wasn't authorised.

While I appreciate this doesn't automatically mean a firm is operating a scam, I do think it should have raised a flag and therefore should have been questioned again.

During this same call, Santander asked Mr A if he was making the payments to Binance, however they would have been able to see that he was making the payments to a different cryptocurrency exchange.

Regarding the questions that were asked, Mr A did answer them honestly for the most part. He was asked if anyone had control of his device, which they didn't, and he was honest when he said nobody was making the payments for him. He also answered honestly when he said that nobody had control of his account.

When Mr A was asked how he found the company on 20 April, he didn't answer and instead started talking about previous payments he had made. I think the advisor should have asked the question again, as he hadn't received a proper answer.

Mr A was then asked whether he had found the investment on social media, and he said he had been investing for a long time. Again, I believe further probing was needed here as Mr A didn't give an answer to that question. On other calls, Mr A was asked if he had been promised high returns, and whether someone had told him to open the account. Most of the time he didn't provide an answer but said something unrelated to the question. To me, this should have raised concern, and the advisors should have probed further.

While the same questions were asked on most of the calls, there were very few questions asked on others. Overall, given the payments were made in May and June 2024, I believe Santander needed to ask further open-ended probing questions. The majority of the questions Mr A was asked were closed questions where he only needed to provide a "yes" or "no" answer.

Cryptocurrency scams had been increasing in frequency, and both the Financial Conduct Authority (FCA) and Action Fraud had published specific warnings about these scams in 2018. In my view, by the time of these transactions, the bank had had time to understand these warnings and be on the lookout for this particular type of fraud.

I can see that Mr A also took out a loan for £20,000 with Santander to fund the scam. He has also told our service, and Santander (when reporting the scam) that he suffers from a condition meaning he is not good with decision making, and he cannot control money. While I appreciate Santander weren't aware of this until the scam was reported, I still think they should have probed further during the calls given the way Mr A was answering the questions presented to him. It also sounds as though, in some of the calls, that Mr A had someone there with him, and I believe this should have been questioned too.

Overall, while I appreciate Santander spoke with Mr A on many occasions during the course of this scam, I do believe they could have done more and that had they probed further, the scam could have been uncovered.

There is also nothing to make me believe that Mr A didn't trust his bank and therefore wouldn't have been open and honest with the answers he would have given, had he been probed further.

Because of this, on the balance of probabilities, I believe that had Santander probed further, they could have provided specific tailored warnings and asked Mr A questions regarding the payments he was making. I believe that had they done this, it's most likely the scam could have been uncovered preventing any further loss.

Contributory Negligence

While I believe Santander could have uncovered the scam had they intervened, I have also thought about whether Mr A should share some responsibility.

Mr A carried out research and said he found positive reviews online, so I can understand why he thought the opportunity was genuine. However, having carried out a search myself, there were negative reviews about the platform which would have been available at the time Mr A became involved with the scam. Mr A was also told to take out a loan which should have raised concern and suspicion.

I therefore agree that there were elements of the scam that ought to have caused concern to Mr A and that he reasonably ought to have conducted further checks before proceeding with the payments. On this basis, I agree it's fair he holds 50% liability for the payments he made to the fraudster.

Recovery

I also need to consider whether Santander did enough after being advised of the scam, to try and recover the funds.

The payments were made to a crypto platform in Mr A's own name, and therefore these wouldn't have been recoverable as he had already sent the money to the scammer. Mr A was purchasing cryptocurrency, and that is what he got.

It follows that I don't think Santander is responsible for the funds not being recoverable.

Overall, I agree with the Investigator that Santander should refund 50% of the money lost from and including the payment of £6,420. Only 25% of the payment for £14,000 should be reimbursed, as liability has been split between Santander and Mr A's other provider.

Santander should also pay 8% simple interest from the date of each transaction until the date of payment.

My final decision

My final decision is that I uphold this complaint in part.

Santander UK Plc should:

- Refund £3,500.00, which is 25% of £14,000.00 (the payment made to his other provider).
- Refund £40,299.24 which is 50% of £80,598.48 (the total loss from payment two onwards – minus the payment for £14,000) - Total refund of £43,799.24
- Award 8% simple interest on this amount from the date of this/each payment, to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 January 2026.

Danielle Padden

Ombudsman