

The complaint

Mr B and Mrs B complain that Santander UK Plc ('Santander') won't refund the payments they made as part of a scam.

What happened

The background to this complaint isn't in dispute, so I won't go into detail.

In March 2022, Mr B and Mrs B received a call from a person I'll refer to as G. G was aware of shares that Mr B and Mrs B had previously held with a genuine company and said he had an investment opportunity for them. G said he worked for a company I'll refer to as H and that the investments would be made with a company I'll refer to as I. I was a green technology developer.

Initially Mrs B invested, but those payments aren't part of this complaint.

In May 2022, Mr B and Mrs B decided to invest further and made the following payments from their joint Santander account.

Date	Details of transaction	Amount
5.5.2022	Bill payment to O – a company	£857.95
6.5.2022	Bill payment to O – a company	£950
11.5.2022	Bill payment to O – a company	£950
16.5.2022	Bill payment to E – a company	£450
17.5.2022	Bill payment to E – a company	£950
18.5.2022	Bill payment to E – a company	£950
19.5.2022	Bill payment to E – a company	£950
19.5.2022	Bill payment to E – a company	£950
20.5.2022	Bill payment to E – a company	£950
23.5.2022	Bill payment to E – a company	£950
24.5.2022	Bill payment to E – a company	£250

When contact from G dwindled, Mr B and Mrs B became concerned. They found H and I's website had been taken down, realised it was a scam, and reported it to Santander.

Santander refunded Mr B and Mrs B 50% of the payments they made under the Contingent Reimbursement Model Code (CRM Code). Santander said they could've done more to protect Mr B and Mrs B, but reduced the refund by 50% saying Mr B and Mrs B didn't do sufficient checks into the investment.

Mr B and Mrs B weren't happy with Santander's response, so they brought a complaint to our service.

An investigator looked into Mr B and Mrs B's complaint and recommended that Santander refund the remaining 50% of their loss. The investigator wasn't satisfied that Santander could rely on an exception to reimbursement under the CRM Code.

Santander disagreed with the investigator's opinion and raised the following points:

- Mr B and Mrs B were told to lie to the bank and put "property repairs" as the reference on these payments, which should've concerned them.
- It's unclear why they would have to make so many small payments, rather than one lump sum payment if it was a legitimate investment.
- Mr B and Mrs B should've been concerned about the payees, as they weren't directly linked with H or G.

As the case couldn't be resolved informally, it was passed to me to 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.

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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank 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.

Can Santander rely on an exception to reimbursement?

Santander are a signatory to the CRM Code which requires firms to reimburse customers who have been the victims of APP scams like this, in all but a limited number of circumstances.

Under the CRM Code, a bank may choose not to reimburse a customer if it can establish that an exception applies. In this case Santander say Mr B and Mrs B made the payment without having a reasonable basis for believing that: the payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate.

I'm not satisfied that Santander can rely on this exception to reimbursement for the following reasons:

- Mr B and Mrs B questioned how G got their phone number. They say G knew about shares they had held in a UK company, which they found persuasive. Also, G was very professional, friendly and knowledgeable about the investments being offered.
- Mr B and Mrs B reviewed H and I's websites online. They say the websites were professional and appeared legitimate. I's website said they were involved in the manufacture of electric cars, which tied into Mr B and Mrs B's belief that the investments involved green technology. It wasn't until the websites were taken down that they realised they weren't genuine.

- Mrs B received certificates after making her investments, which appeared to be genuine.
- Mr B and Mrs B were given the same payees to use for their payments, as Mrs B had used for her investments. They were told these payees were linked to the investments.
- Mr B and Mrs B knew there was a restriction on the payment size they could make, so made smaller payments. They weren't aware they could call Santander and make one large payment, otherwise they would have attempted to make the payment by this method.
- It is concerning Mr B and Mrs B were told to use "property repairs" as the payment reference. But they didn't realise this should be concerning, as they trusted what G told them.

Taking all of these points into consideration as a whole, I'm satisfied that Mr B and Mrs B had a reasonable basis for believing the investments were legitimate and the person they were talking to was genuine. I realise there are some points that may've concerned them, but Mr B and Mrs B weren't experienced investors and founds G's knowledge of their previous shareholding to be very persuasive.

On that basis, I'm not satisfied that Santander can rely on this exception to reimbursement, and Mr B and Mrs B are entitled to a full refund under the CRM Code.

As Mr B and Mrs B have been deprived of the use of these funds, they're also entitled to simple interest of 8% on their refund. This interest should be calculated from the date Santander declined their claim under the CRM Code, to the date of settlement.

Putting things right

To put things right I require Santander UK Plc to:

- Refund Mr B and Mrs B their outstanding loss of £4,578.98
- Pay simple interest of 8% per year, calculated from the date Santander declined their claim under the CRM Code 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 B and Mrs B how much it's taken off. It should also give Mr B and Mrs B 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 against Santander UK Plc and require them to compensate Mr B and Mrs B, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 29 July 2025.

Lisa Lowe
Ombudsman