

## **The complaint**

Ms C, who is represented, complains that Santander UK Plc won't reimburse her money she lost after making an investment.

## **What happened**

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

Ms C was introduced to a collective investment scheme, facilitated and operated by a business I will refer to as business B. Ms C was told that she'd receive quarterly returns on her investment over a three-year period.

Ms C agreed to invest and in July 2020, she made three payments from her Santander account to B via a third-party payment service provider. These payments totalled £25,000.

Between 2020 and 2022, Ms C received a number of credits into her account from business B as returns on her investment. But as returns stopped, Ms C attempted to contact a representative of B to understand the progress of her investment. She was initially told that the investment had failed, but after asking for more information, she received no response and realised she may have been victim to an investment fraud.

Ms C reported the matter to Santander via her representative. After investigating Ms C's claim, Santander concluded that it was more likely a private civil dispute between Ms C and business B. It therefore didn't offer to reimburse her the loss suffered.

Ms C disagreed, and so the matter was referred to our service for an independent review. An Investigator considered the evidence presented but agreed with Santander's position that the matter was likely a civil dispute.

Ms C, via her representative, didn't agree. So the matter has now been passed to me to decide.

## **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 have been good industry practice at the time.

All parties agree that Ms C made the payments in dispute. So, in accordance with the Payment Services Regulations 2017 Ms C is presumed liable for the loss in the first instance.

However, Santander was a signatory to the Lending Standards Board's Contingent Reimbursement Model (the CRM Code). Under that Code, firms are expected to reimburse customers who fall victim to fraud, subject to a number of exceptions.

However, the CRM Code is only relevant if I'm persuaded Ms C did fall victim to a fraud. The Code specifically doesn't cover certain types of disputes. It says:

*"This Code does not apply to...private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier".*

From the information provided so far by Ms C, I'm not persuaded she has been a victim of fraud. I'll explain why.

Ms C's representative has provided our service with a number of submissions relating to a third-party business that it says supports its assertion that Ms C has been the victim of fraud. But I have seen no evidence that that third-party business referred to is linked to business B. I have therefore disregarded this information as it isn't relevant to the investment Ms C made here.

Moving to business B. For me to be satisfied Ms C has been the victim of fraud, I'd need to be persuaded that B set out with the intention to defraud her from the outset rather than invest her funds as agreed.

Ms C's representative has relied upon circumstantial evidence to support its assertion that B was an illegitimate business set up for the sole purpose of extracting funds from victims.

That includes:

- A cessation of operations prior to the fraud being unravelled.
- The business being incorporated months prior to requesting funds from Ms C.

I don't find these points to be particularly persuasive. Ms C's representative has provided no evidence in support of a dishonest deception, B using Ms C's funds for a purpose other than what had been intended, or B, or its representatives, operating illegitimately.

What I have gathered from evidence provided so far is:

- B was, and remains, a registered business on Companies House. Ms C was listed as a Limited Partner of that business until the partnership was dissolved in 2023.
- Ms C was provided documentation outlining her investment, including that she may be at risk of losing the money she'd invested.
- No false information appears to have been provided from the outset, for example, false claims that B was regulated.
- Ms C received returns on her investment over several years amounting to thousands of pounds.
- Open resource research reveals nothing substantive that would support B was operating illegitimately.

Considering the above, I must be open to the possibility that the investment Ms C agreed to in 2020 was a legitimate one that unfortunately failed, resulting in her losing some of the capital she'd invested. And from the evidence presented by Ms C's representative thus far, I find this possibility more likely than the one alleging fraud.

I want to make it clear that my findings are not intended to completely rule out the possibility

Ms C has been the victim of an investment fraud. I'm merely weighing up the evidence available to me to determine what is more likely in the circumstances. If any new evidence comes to light in the future that supports Ms C's assertion that she'd been the victim of fraud, Ms C can present that new evidence to Santander for consideration.

In concluding, I'm not satisfied Ms C has been the victim of fraud here. From the evidence available, it's more likely than not that Ms C has made an investment that has unfortunately failed. As a result, I don't find it unreasonable that Santander declined Ms C's claim to be reimbursed her loss under the provisions of the CRM Code.

I know that will come as a disappointment to Ms C, and I am sorry she has lost the funds she invested. But I can only direct Santander to reimburse her loss where it's fair and reasonable to do so. And here, I don't find that it is.

### **My final decision**

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 17 July 2025.

Stephen Westlake  
**Ombudsman**