

Complaint

Mr W is unhappy that Santander UK Plc didn't reimburse him after he reported falling victim to a scam. This complaint has been brought on Mr W's behalf by a representative. However, for simplicity's sake, I've referred to Mr W in the text of the decision.

Background

Mr W fell victim to an investment scam. Some time later, he was targeted again by scammers who claimed they could help him recover the losses he had previously suffered. This second scam led to further losses. As part of this scam, Mr W made multiple payments from his Santander account to an account he held with another business. I will refer to that business as Company A. There is a separate complaint about Company A currently being considered by this service.

The payments he made were as follows:

1	3 June 2022	£1,000
2	11 June 2022	£2,900
3	15 June 2022	£2,150
4	15 June 2022	£2,050
5	28 June 2022	£1,000
6	6 July 2022	£1,800
7	19 July 2022	£1,300
8	9 August 2022	£250
9	10 August 2022	£250
10	11 August 2022	£250

Once he realised he'd fallen victim to a scam, Mr W raised a complaint with Santander. It didn't agree to reimburse him. It said that the transactions were not covered by the Contingent Reimbursement Model (CRM) Code because he was transferring money to an account in his own name.

Mr W was unhappy with that response and referred the complaint to this service. It was looked into by an Investigator who didn't uphold it. Mr W disagreed with the Investigator's opinion, so the complaint has now been passed to me to consider and reach a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. Santander was a signatory to the Lending Standards Board's Contingent Reimbursement Model (CRM) Code. However, it's correct that these payments aren't covered by the CRM Code because the account Mr W paid was one that was in his name and under his control.

However, that isn't the end of the story. Good industry practice required that Santander be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to protect their customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

We now know with the benefit of hindsight that Mr W was being targeted by fraudsters. However, the question I have to consider is whether that risk ought to have been apparent to the bank at the time given the information that was available to it. I can see that, on 3 June 2022, Mr W attempted to make a payment of £2,900 from his Santander account. This followed shortly after Santander had processed the first payment in the table above. The bank's fraud detection systems flagged the larger transaction as potentially suspicious. That meant an employee of the bank contacted Mr W to discuss the nature and purpose of the payment.

Due to the passage of time, Santander can't provide a recording of that telephone conversation. As a result, I can't know with certainty what took place during that call. Contemporaneous notes taken by an employee of the bank suggest Mr W explained that the payment was being made to his own account held with Company A. He said that he was simply moving money between his accounts. There is no indication that he disclosed any intention to transfer the funds onward from Company A, nor did he provide any detail about the ultimate destination or purpose of the funds.

Given that this attempted payment wasn't significantly out of keeping with the way Mr W typically operated his account, I wouldn't have expected Santander to have done more here. I know that will be a frustrating finding. With the benefit of hindsight, if the bank had probed further, it may have led to the scam unravelling. Nonetheless, given the information it had at its disposal, I don't think it did anything wrong in processing the payment when he attempted it again on 11 June 2022.

I'm also not persuaded that I would've expected it to intervene in connection with the subsequent payments. Certainly, Mr W was moving significant sums of money around – however, the bank's weighing up of the risk associated with payments 2-10 was partially informed by the information Mr W had volunteered in connection with the earlier attempted payment.

I don't say any of this to downplay the fact that Mr W is the victim of a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself in. Nonetheless, my role is to look at the actions and inactions of the bank. For the reasons I've set out above, I'm not persuaded it could reasonably have been expected to identify Mr W was falling victim to a scam and so I don't think it did anything wrong in processing any of these payments without questioning them further.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 October 2025.

James Kimmitt
Ombudsman