

The complaint

Miss M complains that Santander UK Plc ('Santander') will not refund the money she lost as a result of a scam.

She is represented by a Claims Management Company. For simplicity, I'll refer to Miss M throughout this complaint.

What happened

The background is already known to both parties, so I won't repeat every detail.

In summary, in August 2024, Miss M received a phone call from someone pretending to be from Santander's fraud team. The caller told her there was suspicious activity on her account and that, to protect her money from fraudulent payments, she needed to move funds from her Santander account to an account she held with another payment services provider ('R').

Miss M says that after she moved the funds to R, the scammer made a series of payments from there to various merchants. By the time she became aware she had been speaking to a fraudster, a total of £6,600 had been sent from Santander to R as part of the scam.

Below is a list of the payments in dispute.

	Date	Time	Method	Payee	Amount
1	26-Aug-24	10:51	Card payment	R	£1,500
2	26-Aug-24	10:52	Card payment	R	£1,700
3	26-Aug-24	11:21	Card payment	R	£1,600
	26-Aug-24	11:36	<i>Card payment – declined</i>	R	£1,800
4	26-Aug-24	12:38	Open banking	R	£1,800

A complaint was made to Santander in October 2024 and later referred to our Service. Our Investigator upheld it. In short, she found that Santander should have intervened before Payment 4 was processed and that—had it done so—the scam would likely have been uncovered. She also concluded that Miss M shouldn't be held responsible for what happened, given the nature of the scam and what Miss M has shared about her condition. The Investigator said Santander should refund Payment 4 plus interest.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've decided to uphold it for similar reasons as the Investigator.

The starting point under the Payment Services Regulations (2017) and the terms of Miss M's

account is that she's responsible for payments she's authorised. And, as the Supreme Court reiterated in *Phillip v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

But that isn't the end of the matter. Our Service has issued many decisions setting out the relevant considerations we take into account when deciding what's fair and reasonable in these types of cases. I don't consider it necessary to repeat them all here, though Santander will be able to review these through past decisions on our website if it wishes to do so.

In summary—taking into account the law, regulators' rules and guidance, relevant codes of practice, and good industry practice—I'm satisfied Santander should fairly and reasonably:

- have been monitoring accounts and payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment, as in practice all banks do.
- have been mindful of (among other things) common scam scenarios, the evolving fraud landscape (including, for example, the use of multi-stage fraud by scammers) and the different risks these can present to consumers, when deciding whether to intervene.

Should Santander have recognised that Miss M was at risk of financial harm from fraud?

It's not disputed that Miss M authorised the payments from her Santander account, nor that the funds were sent to her account with R before further steps were taken and the money was eventually lost. Although Santander says it isn't responsible because it wasn't the point of loss, I'm satisfied that by August 2024 it should have been aware of the risks associated with multi-stage fraud—where scammers persuade victims to move money through one or more accounts in their own name before it is then taken. The fact that the money was first moved to another account belonging to Miss M did not remove the risk of fraud and this is another example of why that is.

In any event, Santander did identify a risk. It called Miss M (after all the disputed payments had been made) to ask about a payment she had attempted to make earlier that day. During that conversation it became clear that Miss M had likely been speaking to a fraudster. And I agree with the Investigator that Santander's call should have come sooner than it did and at Payment 4—considering the account activity and that it brought the spending to an unusually high level for an account that was typically used for much lower transactions.

Would Miss M's losses have been prevented if Santander had intervened?

I'm satisfied that if Santander had called Miss M to understand more about what she was doing before Payment 4 was processed, the scam would have been uncovered and she wouldn't have lost that money. Santander has said Miss M might still have continued with payments, that she may not have responded truthfully if questioned even if it had intervened, and that any intervention might have been seen as a barrier to what it says was an unrealistic investment. But there was no 'investment'—this was a 'safe account' scam.

There's also no evidence that the scammer coached Miss M on how to answer questions from her bank or that Miss M was prepared to follow such instructions in any event. In fact, when Santander did eventually contact Miss M shortly after Payment 4, she was fully honest. It was immediately clear Miss M had been speaking to a scammer and there's nothing to show she continued to make payments after a warning about what her situation looked like.

Santander has also suggested that Miss M has a claim against R and raised concerns about double recovery. While Miss M did have a claim against R, that was resolved informally. She has chosen to pursue only her complaint against Santander. This is what I've been asked to decide. And, for the reasons given, I'm satisfied Santander missed an opportunity to prevent the scam and that it is fair to hold it responsible for the loss Miss M incurred at Payment 4. The payment still represents a loss and I'm satisfied there's no risk of double recovery here.

Should Miss M bear any responsibility for her losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances.

The Investigator upheld Miss M's complaint and concluded she shouldn't be held liable for the losses as a result of Payment 4. I agree with that position. Miss M has explained that the scammer already knew information about her—including details of her account, her address, and that she held an account with R. She's said the scammer gave her the name of a branch employee she could visit with identification the next day, as well as a number for Santander's fraud team. I can understand why she believed that the caller was genuine.

I also don't underestimate the sense of urgency and panic these types of calls can generate for those who receive them. Miss M has described feeling anxious, worried, and disoriented. She's explained how her condition made her more vulnerable to this kind of manipulation. I can understand why she thought she had to act quickly to protect her money. And I don't think she acted unreasonably in the circumstances, such that it'd be fair for her to share any liability for the losses that Santander could have prevented at Payment 4.

Putting things right

For the reasons I've given, I uphold this complaint and direct Santander UK Plc to refund Payment 4, plus interest at 8% simple per year from date of payment to date of settlement (less any tax lawfully deductible).

My final decision

I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 26 February 2026.

Thomas Cardia
Ombudsman