

The complaint

Mrs D and Mrs G have complained that Santander UK Plc won't refund money they say they lost to a scam.

What happened

Mrs D stated she booked flights that turned out to be fraudulent and she didn't receive the benefit of the flight she intended to book. She has not received a refund from Santander. Mrs D has said she would like a full refund of the funds lost to the scammers from Santander. The payment Mrs D made are as follows:

Date	Type of transaction	Amount
12/10/2024	Card payment	£1,262.29
12/10/2024	Card payment	£1,262.29
12/10/2024	Card payment	£3,509.67
	Total	£6,034.25

Mrs D raised a complaint with Santander, who investigated the complaint but felt it hadn't done anything wrong. It said Mrs D authorised the payments and as such is not responsible for her loss. Mrs D didn't agree, so she brought her complaint to our service.

Our investigator looked into Mrs D's complaint, but he didn't recommend it be upheld. Mrs D didn't agree and asked for the case to be passed to me to consider.

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 agree with the investigator's findings for broadly the same reasons. I will explain why.

In broad terms, the starting position in law is that a bank is expected to process payments that their customer authorises them to make. It isn't disputed that Mrs D knowingly made the payments from her Santander account – albeit as she believed the flights to be legitimate. And so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Santander are expected to process Mrs D's payments, and she is presumed liable for the loss in the first instance.

However, 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.

So, the starting point here is whether the instructions given by Mrs D to Santander (either individually or collectively) were unusual enough to have expected additional checks being carried out before the payments were processed.

Bearing this in mind, and having considered the circumstances of this case, I'm satisfied it wouldn't be reasonable to expect Santander's systems to have been triggered by the payments in dispute. I say this because, the amounts in question ranged between £1,262.29 and £3,509.67. So, neither amount was remarkably large or significantly uncharacteristic of Mrs D's usual spending.

I have also considered where the payments were made to; and there were no suspicious circumstances surrounding this either. Consequently, I don't think Santander could reasonably have known that these payments were subject of a scam. The payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments.

It's important to note that there is a difficult balance to be struck between firms identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. Of course, we need to consider that spending habits change, unusual needs arise, and it will be impossible to prevent all fraud without a significant number of genuine payments being delayed considerably and inconveniently.

Bearing this in mind, I'm satisfied it wouldn't be reasonable to expect Santander's systems to have been triggered by the payment in dispute. I don't think Santander could reasonably have known that these payments were subject of a scam. The payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments.

I have gone on to consider if Santander took reasonable steps to try and recover the funds. As Mrs D made the payments via debit card, the chargeback process is relevant here. The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the merchant or merchant acquirer can defend a chargeback if it doesn't agree with the request.

In this case as Mrs D paid for a service and while she didn't receive the benefit of the service, the scammers did. And while this seems unfair, the company did provide a service. In order for Santander to raise a chargeback, it would need to raise it against the company (not the scammer, as Mrs D paid the company directly), and the company provided the service. We would only expect Santander to raise a chargeback if it was likely to be successful. Based on the available evidence, it wouldn't have been successful.

All things considered, and despite my natural empathy for this cruel scam and the situation Mrs D finds herself in having lost her money, I'm not persuaded Santander acted unfairly or unreasonably, for the reasons I have explained. It follows that I do not consider it fair or reasonable to require Santander to do anything beyond what it has already done for this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mrs G

to accept or reject my decision before 24 September 2025.

Jade Rowe
Ombudsman