

The complaint

Mr C has complained about Santander UK Plc not refunding several payments he says he made and lost to an authorised push payment (APP) gambling scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr C alleges he fell victim to an online gambling scam. He alleges the site owner started switching tickets, withholding tickets, withdrawing prizes and making accounts herself to win. Mr C states this only became apparent when an employee of the site owner shared the details of the scam online. So, he requested a refund but it was ignored. Mr C states he informed Santander about the scam, expecting the funds to be returned to him the same day. However, instead he said it sent him 60,000 documents to complete and return for the chargeback. As Santander did not refund him for his losses he referred the complaint to us. He says he also raised it with the police.

Our Investigator reviewed the complaint but did not uphold it. She found that the payments were not of a level that should have been considered suspicious when considering Mr C's usual account usage. Also, that he did receive roughly 50% of the amount he paid back in monetary prizes over the several months he played. So, our Investigator would not have expected Santander to have intervened. She also did not think Santander did anything wrong by not progressing with the chargeback claim when the signed dispute form was not sent in.

Mr C disagreed with our Investigator, stating he was told the forms were not required and requested a decision from an Ombudsman.

As the complaint could not be resolved informally it has been passed to me to issue the final decision.

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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry to hear of the funds Mr C says he has lost. However, just because he has lost funds, whether by a scam or not, it does not mean he is automatically entitled to recompense by Santander. It would only be fair for me to tell Santander to reimburse Mr C for his loss (or a proportion of it) if: I thought it reasonably ought to have prevented all (or

some of) the payments Mr C made or hindered the recovery of the payments – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Santander treated Mr C fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr C's complaint. I know this will come as a disappointment to him and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr C made the payments himself and the starting position is that Santander should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance - as he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding transactions before allowing them to be made.

Considering the 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 - Santander should fairly and reasonably:

- Have been monitoring accounts and any 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

So, I've thought about whether the transactions should have highlighted to Santander that Mr C might be at a heightened risk of financial harm due to fraud or a scam.

Having done so, I'm not persuaded that Santander ought to have been concerned by the payments. They would have appeared to be payments to a legitimate entity, authorised by Mr C. For completeness, I'll add that even if I did think these payments ought to have been of concern to Santander, had it intervened I do not think this would have stopped Mr C from wanting to proceed. I say this because Mr C was regularly receiving returns in exchange for the payments to this gambling website. The details he would have shared with Santander even if it had spoken with him would have alleviated its concerns and I've seen no evidence it would have been aware of any details which it could have made Mr C aware of, that would have suggested a scam was occurring. Ultimately, these payments did not have the common hallmarks of a scam. Therefore, I do not think Santander acted incorrectly in this instance.

Considering the recovery options available, I agree that a chargeback was the available option, as Mr C completed these payments via his card. I do agree with Mr C that such an amount of pages would have been unreasonable to have to complete. However, I have listened to the telephone call where Mr C's partner, following Mr C giving his authority, was

informed that a form would need to be completed as part of this dispute process. Therefore, regardless as to whether a chargeback would have been successful or not, without the form Santander did not act incorrectly by not proceeding with the chargeback. I'll note here that a chargeback is not an automatic right to one's money being returned.

I am sorry to hear that Mr C believes he has lost his money due to a scam. However, I do not think Santander acted incorrectly by allowing the payments being made. Nor do I think it failed to follow the correct approach to the chargeback. Therefore, it would not be reasonable of me to find that Santander is liable for his losses.

My final decision

My final decision is I do not uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 December 2025.

Lawrence Keath
Ombudsman