

The complaint

Mrs C complains that Santander UK Plc didn't do enough to protect her against losing money to a cryptocurrency scam.

Mrs C has used a representative to bring her complaint. But, for ease of reading, I'll mostly just refer to Mrs C herself, where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. Mrs C says she was approached on LinkedIn in November 2023 by an individual who said he worked in artificial intelligence (AI). She says they became friends, and he later introduced her to a cryptocurrency arbitrage trading platform. She says each trade she entered would generate a 0.02% profit. She also says he shared evidence of his own withdrawals which helped to convince her it was legitimate. Mrs C says she was later told she had to pay a 'security deposit' due to the frequency of her withdrawals. She says she paid this but was still unable to make further withdrawals. She said the customer service and the person who'd introduced her both then stopped responding.

Mrs C says that as a result of the scam, she made seven payments with her Santander debit card. These took place between 2 February and 19 April 2024. They ranged in value between £2,059.80 and £8,754.15 and collectively totalled nearly £30,000.

In June 2024, Mrs C complained to Santander that they hadn't done enough to protect her. Santander declined to provide any redress and pointed out that they weren't the point of loss, Mrs C's cryptocurrency accounts were. Mrs C referred her complaint to our service and it was considered by one of our Investigators. She didn't recommend that the complaint should be upheld. She highlighted that Santander had spoken to Mrs C numerous times in the course of her instructing her payments. And overall she thought their actions were fair in the circumstances. Mrs C disagrees and has asked for an Ombudsman to review her complaint.

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 reached the same outcome as our Investigator and for largely the same reasons. I know this is likely to disappoint Mrs C, so I'll explain why.

Firstly, it isn't in dispute that Mrs C herself instructed the payments relevant to her complaint. So the starting point is usually that she'd be responsible for them. But that isn't the end of the story. Santander should also be alert to the potential for fraud, scams and the

misappropriation of funds. They should also do what they can to protect their customers from these risks.

In the circumstances of this complaint, on numerous occasions, Santander blocked the card payments Mrs C was instructing and she had to call to discuss them before she could instruct them again. I think this was appropriate given the values involved, how unusual these payments were compared to the previous 12 months of Mrs C's account activity and the fact the payments were identifiably going to cryptocurrency exchanges. Indeed, it doesn't seem to be in dispute between the parties that the payments represented a risk and that some intervention was appropriate. So, I won't go into greater detail on this point.

Banks have many ways in which they might try to combat scams. These include requiring additional authentication, asking questions and displaying warnings as well as speaking to a customer on the phone. In this case, Santander took things to the level of speaking to Mrs C, which is generally the most thorough way of an intervention, short of calling a customer into a branch (something I don't think it would be reasonable to have expected in this case).

The main point of contention in this complaint is whether the phone calls were sufficient in the circumstances or if Santander's agents should've done more. And whilst there were numerous conversations, I'll refer to them holistically, as if any particular call should've been better, I think overall, Santander's actions were reasonable and wouldn't have prevented the scam for the reasons I'll come to.

I agree with Mrs C that Santander should ask open and probing questions, to learn more about the purpose of her payments so that appropriate warnings could be provided. I think they largely did this to the extent that it wouldn't be fair and reasonable to hold them responsible for Mrs C's losses.

Throughout the conversations Santander:

- Asked open questions such as "Why are you sending this payment today?" and "What is the payment for?"
- Highlighted the importance of answering truthfully and that if she's been asked to mislead her bank, it's a scam.
- Challenged Mrs C when she initially said she'd recently got into cryptocurrency before then saying she'd been investing for years. She explained this in terms of she'd only recently started using the new platform and that is what she'd meant.
- Gave context to many of the scams they see, specifically that most involve someone 'helping' or having access to a device or wallet. Mrs C confirmed this wasn't the case.
- Highlighted the risks of investments found through social media, Mrs C said she didn't find this through social media.
- Highlighted the risks of returns that are too good to be true.
- Confirmed with Mrs C that no-one had told her about the opportunity or set it up for her.
- Asked Mrs C if anyone had asked her to make the payment (she said no) and explained that if they had, it was a scam.

Mrs C's initial letter of complaint said she'd found the opportunity through 'Linkedin social media'. And whilst her representative has since sought to clarify this by saying this was as a result of them sharing their knowledge about social media with her during discussions on her case, and that it wasn't her understanding at the time. I'm more persuaded by what Mrs C said in the quote used in her initial letter of complaint. So, I think it's more likely than not that she did believe this opportunity was found on social media at the relevant time. So, I can't account for why she answered Santander as she did on that point.

Similarly, the impression Mrs C gave was that she was investing in specific cryptocurrencies. And she didn't indicate that there was any third-party involvement with another platform or her having been advised to do this by a friend she'd met online. Also, I can't ignore the fact that in 2022, Mrs C was a victim of a separate cryptocurrency scam which again she found through LinkedIn. So whilst I accept there were material differences between that scam and this one, I don't think this is a case where she was oblivious to that possibility, having previously lost money in a similar way.

I know Mrs C disagrees, but I don't think Santander's interventions were so poor that they can fairly be said to be responsible for the scam not being uncovered in this case. To an extent they are reliant on the information received from Mrs C, and I don't agree they weren't sufficiently probing or detailed in their questions and the warnings given. Or, that it wasn't reasonable for them to be reassured and to process the payments based on what Mrs C told them. So, for this reason, I don't think Santander can fairly be said to be responsible for the loss.

For completeness, as these were all debit card payments, I don't think Santander were wrong to not consider this under the Lending Standards Boards Contingent Reimbursement Model (CRM Code). This is because it doesn't apply to card payments.

Further to this, given Mrs C would've received cryptocurrency in exchange for her payments (which she says was sent on), I don't think there was anything Santander reasonably could've done to assist with recovery. The only possible option would've been a chargeback. But the merchants most likely would've been able to evidence they'd done what was asked and this was highly unlikely to succeed. I'm obviously sorry to hear Mrs C lost money to a cruel scam. But as I don't think this is something Santander can fairly be said to be responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, 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 C to accept or reject my decision before 29 September 2025.

Richard Annandale
Ombudsman