

The complaint

Miss S is unhappy that Santander UK Plc hasn't reimbursed losses suffered as a result of a scam.

Miss S is represented in her complaint. But for the sake of clarity, I'll only refer to her throughout this decision.

What happened

The background to this complaint is well-known to both parties and so I'll only summarise key events here.

Miss S was introduced to a supposed investment opportunity by her brother. This was meant to be a cryptocurrency investment programme with a party I'll call H. Miss S was required to fund an account with H through cryptocurrency payments. And so Miss S sent money from her Santander account to cryptocurrency wallets in her own name. The crypto assets were then sent on to Company H.

But when it came to Miss S attempting to withdraw money from her holdings with H, she found she was unable to do so. Many other investors were reporting similar issues with many suspecting they'd fallen victim to a scam.

Miss S contacted Santander and asked it to reimburse her losses. But it declined to do so. It said Miss S had made legitimate payments to her own crypto wallets, and so no loss had been suffered as a result of the payments it processed at Miss S' instruction. Any loss had been suffered as a result of onward payment from the crypto wallets, which Santander ought not be held responsible for.

One of our investigator's considered Miss S' complaint when she referred it to our service. He recommended it be upheld, with Miss S to receive a refund of half her loss, plus interest at 8%. In summary, he said:

- It is now well-established that H was operating a scam, with warnings about it published by various regulators and financial institutions around the world;
- Persons connected with H had been charged with numerous fraud offences;
- He was then persuaded Miss S had been the victim of a scam;
- Santander ought to have recognised Miss S was at risk of financial harm from fraud when she made unusually large payments to a cryptocurrency firm;
- He could see Santander had intervened and questioned some payments. But he wasn't persuaded the interventions were proportionate, and failed to address the risks of cryptocurrency scams;
- He felt proper intervention from Santander would have prevented Miss S' loss and so

it was fair and reasonable for it to be held accountable for a portion of it;

- Miss S ought to also bear some responsibility for the loss given she'd done little to verify H's legitimacy. He also said there were clear signs all was not as it appeared, given the improbable offerings of H (including a rate of return that was too good to be true). And he noted there were live warnings about H online, which would have been easy to find with a straightforward search.

Santander responded to the investigator's recommendations to say it disagreed. It maintained its view that it shouldn't be responsible for any loss as it had only executed legitimate payment instructions to another genuine financial institution (the cryptocurrency firms) and that the money had gone to wallets/accounts in the name of and controlled by Miss S.

Miss S acknowledged receipt of the investigator's findings but offered no further comment and neither accepted nor rejected the findings.

The complaint has been passed to me as an agreement between parties hasn't been reached.

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'm upholding the complaint and essentially for the same reasons as our investigator.

There's no dispute that Miss S authorised the payments that are the subject of this complaint. And so the starting point at law, under the Payment Service Regulations (2017), is that she is responsible for them. That remains true even where the payments were made as a result of a deception, as they were here.

The Payment Service Regulations also, broadly speaking, set out Santander's obligation to process payment instructions quickly and with minimal friction.

But that isn't the end of the story. I'm satisfied that, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Santander should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms 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; · have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to

cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Where a firm like Santander fails to act in respect of the above, and one of its customers – like Miss S – suffers a loss following the execution of authorised payments, it may be fair and reasonable for it to reimburse that loss.

Santander hasn't argued against the application of most of these considerations. It hasn't suggested it needn't monitor accounts, intervene in payments, or warn against common scams. And indeed, it's evident it did step in to question some of the payments made by Miss S, including the second one which was made by card. So it's clear that, in practice, Santander does these things.

Instead, Santander argues it ought not be responsible for Miss S' loss because that loss crystallised elsewhere; with a different financial institution which ought to bear responsibility.

But it remains true that Santander could have prevented Miss S' loss. If it had properly intervened and questioned the suspicious payments it could have, and should have, identified the scam. The proposals of H bore the typical hallmarks of a cryptocurrency scam, including unrealistically high returns. And the FCA – among other financial institutions – had already posted warnings about H at the point Santander ought to have been questioning Miss S. I've seen no evidence to suggest Miss S would have disguised or otherwise misled Santander about what she was doing, if asked the right questions. And I'm satisfied that, in discussing the features of the supposed investment, Santander would more likely than not have identified the scam.

I'm then satisfied the stark warning from Santander which ought then to have followed would have stopped Miss S from sending money to H.

This means the loss to Miss S was both identifiable and preventable at the point the payments were being made from her Santander account. The scam could have been stopped when Miss S made the second payment toward it, given Santander was discussing the account activity at that point. It's then fair and reasonable to find Santander ought to bear some responsibility for the loss from the point it identified a risk but failed to act proportionately.

It may be that the cryptocurrency firms involved here ought fairly and reasonably also to bear some responsibility for Miss S' loss. But we have no complaint about those firms and there is significant doubt as to whether we could consider such complaints. I can also not compel Miss S to make such complaints. I can only deal with the complaint that is before me.

Having established that Santander ought to bear some responsibility I now turn to Miss S' actions. Our investigator found she'd not acted reasonably and ought to share responsibility for her loss equally with Santander. I've set out the reasons he reached that position in the previous section of this decision.

Miss S raised no objections to those recommendations. And I see no reason to depart from them. I find it's fair and reasonable for Miss S to be equally responsible for her loss given all the circumstances.

I've considered whether there's evidence of Santander acting unfairly or unreasonably in any other regard, and whether any such actions impact redress. These include whether Miss S was identifiably vulnerable and whether funds might have been recovered from the payee accounts. But there's no evidence to suggest such considerations lead to a higher redress payment. Nor have I seen there's a valid case for saying Santander ought to make any other

payment of compensation. These points were explained by our investigator and neither party provided any further comment or argument and so I've decided there's no need for me to go into further detail here.

Putting things right

On Miss S' acceptance Santander must:

- reimburse 50% of the loss suffered from payment two onwards (£8,846.78);
- pay interest on that sum at 8% simple per year, calculated from the date of loss to the date of settlement.

My final decision

I uphold this complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 16 October 2025.

Ben Murray
Ombudsman