

The complaint

Mr H complains that Santander UK Plc won't refund the money he says he lost to a scam.

Mr H has been represented in this complaint by a claims management company.

What happened

The background to the complaint is well known to the parties, so I'll simply summarise it here.

In brief, Mr H saw an advert for an investment opportunity on social media. He says he carried out an internet search on the investment firm ("F"), read reviews and articles online and looked at F's website. He submitted his details and was then contacted by an employee of F. Mr H says that F's investment portal was professional and sophisticated. He says it showed fake real-time returns, appeared to show his deposits and showed real-time trades that matched what F told him.

Mr H says that F persuaded him to invest £300 initially, and claimed to have made a substantial profit. Mr H's representatives have variously said that F led him to believe he could expect returns of 30%, or of "*approximately 50% within an hour or 10-12%, depending on the trading day*". Encouraged by this, and the fact that he'd been able to start with a small investment, Mr H decided to invest further.

In all, Mr H made the following payments to F from his account with Santander, using his debit card:

	Date	Amount
1	27 August 2020	£300
2	12 September 2020	£700
3	17 September 2020	£4,000
4	15 October 2020	£3,000
5	6 November 2020	£1,000
6	11 November 2020	£2,000
7	12 November 2020	£3,000
8	17 December 2020	£3,000
9	27 March 2021	£2,000
		£19,000

Mr H says he realised he'd been scammed in early 2021, when F cut all contact with him.

Mr H complained to Santander in November 2024, but it refused to refund the money. This was on the grounds that Mr H had authorised the payments, and they were made to an account in Mr H's own name, using a debit card.

Mr H's representatives believe that Santander should have intervened and asked open, probing questions when Mr H made payment 3, on the grounds that it was out of character. And they believe that if it had done so, it would have identified various hallmarks of a scam, and further loss to Mr H would have been prevented.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, she didn't think that either the size or the pattern of payments was such that Santander should have intervened before processing them. Nor did she think the payments were being made to a merchant that was known to be high-risk. And she said that Mr H had referred his complaint to Santander too late for it to raise a chargeback.

Mr H disagreed with the investigator's view, so the complaint's been passed to me.

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 conclusion as the investigator, and for similar reasons. In reaching my decision, I've taken into account everything that both parties have said. But I haven't commented specifically on every point Mr H and his representatives have made. Instead, I've summarised the complaint in my own words and have set out what I consider to be the key issues in reaching a fair outcome to the complaint. This is in keeping with our role as an informal dispute resolution service.

I'd like to say at the start that although I was sorry to hear that Mr H lost a considerable amount of money, he hasn't provided enough evidence that I could safely conclude, without more, that this was, as he says, the result of a scam. But I don't need to decide that point, because even if it was a scam that led Mr H to lose his money, I don't think Santander could reasonably have been expected to step in and prevent it. I'll explain why.

It's common ground that the payments made to the alleged scam were 'authorised'. Mr H knew he was sending money to his own account with F. So even though he didn't intend the payments to end up with a fraudster, the payments were 'authorised' under the Payment Services Regulations. Santander had an obligation to follow the payment instructions it received, and Mr H is presumed liable for his loss in the first instance. But that's not the end of the story.

The payments in this case were made by debit card, so they weren't covered by the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code. Nonetheless, there are circumstances, irrespective of the payment channel used, where it might have been appropriate for Santander to take additional steps, make additional checks, or provide additional warnings before processing a payment, to help protect its customers from the possibility of financial harm from fraud.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance, standards and codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Taking those things into account, I think that at the time the payments were made, Santander should have been doing the following to help protect its customers from the possibility of financial harm:

- monitoring accounts and payments to counter various risks, including fraud and scams;

- keeping 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) – especially given the increase in sophisticated fraud and scams in recent years, with which financial institutions are generally more familiar than the average customer;
- in some circumstances, regardless of the payment method used, taking additional steps, or making additional checks, before processing a payment, or, where appropriate, declining to make a payment altogether; and
- being mindful of -among other things – common scam scenarios, how fraudulent practices were evolving (including, for example, the common use of multi-stage fraud by scammers) and the different risks these can present to consumers when deciding whether to intervene.

I've looked at Mr H's statements for the year immediately preceding the payments that he's complained about. The largest payment from the account in that period was £1,263.29. But while I acknowledge that most of the payments that Mr H sent to F were for more than that, I don't consider that they were so high that Santander ought to have been prompted to intervene before processing them, based on their size alone.

I've also borne in mind that the payments were spread over a period of seven months. So there was nothing about them which might have suggested to Santander that Mr H was being put under pressure to make the payments, or that he didn't have time to reflect in between. What's more, the payments fluctuated in size, which again wouldn't have given Santander a reason to suspect that Mr H might be at risk of harm from fraud.

Mr H's representatives have suggested that there was information readily available to Santander which should have put it on notice that making payments to F was risky. They've pointed out that the Financial Conduct Authority ("FCA") published a policy paper in July 2019, in which it said that its rules didn't permit marketing products such as contracts for difference ("CFD"s) (which appears likely to be what Mr H was investing in here) to UK clients by any firms, whether UK-based or not. But overseas firms could continue to sell CFD-like options to UK-based clients who had approached the firm "on their own initiative", provided that the firm was regulated in its own jurisdiction.

But the crucial question here is whether Santander ought to have been wary of payments to F. F was regulated in Cyprus and was passported to carry out activities in the UK until October 2023 – more than two and a half years after the last of the payments Mr H made to F. The right to passport financial services from one EU country to another was a feature of the EU's internal market, which applied to the UK at the time. The right was underpinned by the introduction of EU-wide standards of investor protection and harmonised conduct of business rules. The UK's regulatory system permitted EU-passported firms which were registered with the FCA to carry out regulated activities in the UK. I think it would have been reasonable of Santander to be reassured by F's regulatory status at the time.

I acknowledge that there may have been a rise in fraud involving CFDs around the time that Mr H made the payments. But even if Santander ought to have been aware of any such rise, I don't consider that that, alone, would be a reasonable basis for saying that it ought to have intervened before processing the payments.

Mr H's representatives have pointed out that the FCA fined F for operating outside its jurisdiction, but that wasn't until 2024, and I don't consider it relevant here.

Overall, I don't think that there was enough that ought reasonably to have caused Santander to be concerned about F that it ought to have looked into F's business model, or sought to establish what type of products it dealt in. And without other factors, such as the size of the individual payments, the pattern of activity on Mr H's account or specific warnings about F, I don't consider that I can fairly say that there was anything that ought to have alerted Santander to a need to be concerned about the payments.

Taking everything into account, I don't find that Santander acted unfairly or unreasonably when it made the payments. It follows that I can't fairly hold it responsible for Mr H's loss.

I've considered whether Santander could have done more to recover Mr H's money. But I've seen nothing to make me think that he complained to Santander within the time allowed for making chargeback claims. And I can't see any other way in which Santander could have recovered Mr H's money.

I'm sorry to disappoint Mr H. I know that this isn't the outcome that he was hoping for. But while I don't doubt his strength of feeling about what happened, for the reasons I've set out, I can't fairly uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 September 2025.

Juliet Collins
Ombudsman