

The complaint

Mrs C complains Santander UK Plc ('Santander') won't reimburse £20,000 which was lost when she says she fell victim to an investment scam.

What happened

The background to this complaint is well-known to all parties. So, I will only provide a brief overview of some of the key events here.

In early 2019, Mrs C invested £20,000 with a company I'll refer to as A. Mrs C says that initial communication with A was promising and helpful, but as time passed the company encountered difficulties and the level of support declined. The investment was intended to last for a maximum of two years which has never been returned. And despite numerous attempts to contact the company she's received no response and she's been unable to recover her funds.

Mrs C says the payment was made online and that no warnings were provided to her by Santander. She also says that her payment was made to another firm R. And it was when it later transpired that the company was fraudulent that Mrs C realised her payment was made as part of a scam.

Mrs C's professional representatives advise that her investment was made initially to A who then became R.

Mr's C raised a claim and subsequent complaint through her professional representatives. Santander rejected the claim and complaint advising they considered the matter to be a civil dispute.

Our investigator rejected Mrs C's complaint. Mrs C was unhappy as she still believed she'd been the victim of a scam which Santander could have prevented. As agreement couldn't be reached, the case has been passed to me to decide.

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 considered all the available information and evidence, I'm reaching the same outcome as our investigator and for broadly the same reasons.

Beyond Mrs C's testimony and recollection of events, she's provided no physical evidence to this service relating to her interactions with A. That said, what Mrs C has been able to provide is correspondence she's had with a firm I'll refer to as J, in early 2024.

J is a firm regulated by the Financial Conduct Authority ('FCA') who inform Mrs C in April 2024 that her holding in A stock had been transferred and it provided her with relevant contact details should she wish to get in contact about them.

Mrs C has also provided evidence that she received an update in 2024 from the Financial Services Compensation Scheme ('FSCS') relating to R – who are also a firm regulated by the FCA, and that the FSCS were currently finalising the process for assessing claims for customers who had invested in corporate bonds through R's execution-only investment service.

It's important to set out that the starting point at law is that a customer is responsible for any payments made from their account which are properly authorised. And when an authorised payment instruction is received, it's incumbent on the account provider to process it as quickly as possible and with minimal friction. This position is set out in the Payment Service Regulations (2017).

Mrs C's representative has raised the Contingent Reimbursement Model (CRM) Code within its submissions. But it's not relevant here as the payment made by Mrs C pre-dates the introduction of the CRM Code.

When simply executing authorised payments, Santander do not have to protect customers against the risk of bad bargains or give investment advice. However, Santander is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. And where a firm fails to do so, and a customer goes on to suffer an otherwise avoidable loss to a scam, then it might be fair and reasonable for the firm to reimburse the customer for that loss.

Reimbursement, however, would only be due if it could be evidenced that a) a scam had taken place (rather than, as Santander has said, that the payment was the subject of a civil dispute) and b) that the loss could have been prevented had the firm intervened.

I then need to consider whether A was a legitimate but failed investment company (thereby meaning Mrs C has a civil dispute with A), or whether there is sufficient evidence to show it was more likely than not A was operating a scam, and always intended to steal Mrs C's money, when she invested. Having done so, I'm not persuaded there is sufficient evidence to show A was operating a scam.

Whilst Mrs C's representatives have advised that A later became R, from my own research this is not accurate. And I'm not satisfied R was operating a scam either. In fact since Mrs C received the update from the FSCS in mid-2024, their website is now showing to be accepting claims for compensation against R.

That said, the available evidence Mrs C has provided shows that her holding in A stock exists. And she's provided no evidence that she's attempted to contact the company about it.

In any event, from what Mrs C has explained, she intended to invest with A and the payment made to R facilitated that.

From what Mrs C has explained, A hasn't delivered what was promised – that being a return of her initial investment after two years. Whilst Mrs C has provided limited evidence, what I haven't seen sufficient evidence of is that the loss she is claiming, was the result of A's intention to steal the money from the outset.

A is a limited company that was incorporated in 2016 and filing accounts up until it entered compulsory liquidation in late 2024. A took a change in business direction following shareholder agreement in March 2022 where all investments were converted into Equity in

the company. However, since then the company has ceased trading and advises investors that it is still committed to maintaining its continued effort to recoup and return as much value as possible for the existing shareholders.

Indeed, my own research hasn't resulted in any compelling information to show A was fraudulent. Investigations continue outside of this service, including those being carried out by A's liquidator. But I've no evidence from any such parties to show A was operating a scam. It might be that changes in time and new material evidence may become available. Should that be the case, Mrs C would be able to ask Santander to reconsider the matter and may be able to refer a complaint back to this service should they be unhappy with its response.

But as it stands, I'm not persuaded there is sufficient evidence to show a scam has taken place. And so, I'm satisfied that Santander's response to Mrs C's claim was fair and reasonable.

Lastly, contrary to Mrs C's recollection that the payment was made online, Santander's records show the payment was conducted in branch. It also states that she was provided with a warning about fraud and scams. Whilst I've not seen evidence of the warning presented, just as our investigator has concluded, I'm not persuaded that any intervention would have prevented Mrs C from proceeding to make the payment – especially as there were no warnings or concerns about A or R at the time.

Ultimately where I'm not satisfied that a scam was in operation, I can't fairly say that Santander needed to do anything differently. That's because Mrs C hasn't evidenced there was a risk of financial harm associated with her making the disputed transaction, that Santander then ought to have acted to try and prevent.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 15 October 2025.

Mark O'Connor
Ombudsman